The Government’s plans for replacing nursery vouchers pose challenges to local education authorities...

- each authority must establish an Early Years Development Partnership, involving organisations with an interest in services for young children
- each Partnership must work with the authority to produce an Early Years Development Plan
- the plan will set out how the authority will, together with the private and voluntary sectors, guarantee at least a part-time early education place for every four-year-old by September 1998

...but reviews by auditors during 1996 suggest that, to meet these challenges, many local authorities will need to improve partnership working and co-ordination...

- few authorities considered the role of private and voluntary providers when planning expansion of services
- the impact of expanding local authority provision on private and voluntary providers was often overlooked – opening new nursery classes has in some cases led to the loss of playgroup places
- co-ordination could be improved, both between local authority departments and with external agencies
- only about half the authorities reviewed had formal systems for consultation with the private and voluntary sectors

... and develop more sophisticated strategic planning.

- many authorities lack a clear strategy on which to base their Early Years Development Plans
- data on provision and levels of need are often inadequate to produce strategic plans
- planning is required to fill gaps in provision for under-fives – even where there are enough places, they may be spread unevenly across the authority

Local authorities should also ensure that their own provision is run more efficiently...

- nursery schools cost, on average, 50 per cent more than nursery classes, but few authorities have reviewed their provision or considered making better use of these facilities by expanding nursery schools’ role
- some authorities need to tackle vacant or underused places in their schools and day nurseries – in one authority, two-thirds of schools had unfilled places

... and focus on educational quality.

- authorities could offer more support or training to private and voluntary sector providers
- authorities could do more to ensure that good practice ideas are shared between providers

Local authorities must address these issues in order to respond to the Government’s proposals, and to ensure access and quality for local children. In 1998 auditors will assess progress and help authorities to produce and implement their Early Years Development Plans.
Contents

Introduction 3

The National Context 5
The national policy framework 5
Early Years Development Plans 6

The Local Audit Findings 9
Strategy 9
Co-ordination and partnership 11
Planning provision 14
Meeting the needs of children and parents 19
Working with parents 20
Ensuring quality in early years education 23
Aspects of efficiency 28
Planning For The Future 30

Recommendations 31

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Introduction

1. It is in their first few years that children acquire the basic skills (for learning and for living and working with others) that will serve them through the rest of life. Children’s early educational experience is crucial for the development of those skills and provides a foundation for the succeeding years in school and further education. Without a sound foundation, efforts to raise educational standards in our schools and colleges will be compromised.

2. Although local authorities currently have no statutory duty to educate children before their fifth birthday, the number of school places provided for under-fives has increased over the last decade. Local authority spending on pre-compulsory schooling and the care of young children came to £1.4 billion in 1995, and is likely to have increased since this time. And parents are estimated to spend a similar amount on care and education in the private sector.

3. In January 1996, the Audit Commission published Counting to Five, a review of arrangements for the education of children under five in England and Wales. Throughout 1996, auditors appointed by the Audit Commission undertook a programme of reviews at individual local authorities. This Update has been prepared from an analysis of local audit reports. These local reviews sought to identify the key issues each authority faced in providing education and care for children under five. Local authorities were asked to respond to the findings of their auditor by drawing up action plans for developing services, and the Audit Commission published a management handbook, Under-fives Count, in September 1996 to provide authorities with ideas and examples of good practice for use in their action plans.

4. Counting to Five set out three major issues for local authorities to address:
   • access to services was uneven, varying from one authority to another and from place to place within an authority;
   • the educational quality of individual settings (schools, play-groups, private nurseries, etc) varied, although all types of provider could do well [EXHIBIT 1, overleaf]; and
   • costs were variable, both within and between different types of setting, with no evidence of a link between quality and cost. The key factors affecting costs were found to be staff pay and levels of occupancy.
EXHIBIT 1

Scores from education inspections of a range of settings

The educational quality of individual settings varied, but all types of provider could do well.

Source: Fifty-one education inspections carried out for the Audit Commission

5. The Audit Commission's management handbook, *Under-fives Count*, spelt out in more detail how local authorities could play a key role in securing high-quality education and care for children under five. It proposed that local authorities should:
   • establish a clear strategy for provision in their area, based on a defined entitlement to quality education;
   • identify gaps in provision and plan how to fill them;
   • use existing voluntary and private-sector providers to expand provision, as well as increasing the places on offer through schools;
   • devise ways to monitor and support the quality of education offered by all providers, not just schools; and
   • ensure that their own provision for under-fives, such as nursery schools and social services nurseries, is run efficiently.

6. Above all, the Audit Commission has stressed the importance of focusing on the needs of parents and children, and of meeting those needs through a mix of provision. Local authorities need to work in partnership with providers in the voluntary and private sectors to ensure a co-ordinated approach to services for children under five.

7. The work of the Audit Commission and its appointed auditors on the education of children under five has taken place against a background of rapid shifts in central government policy. However, many of the main themes set out in *Counting to Five* remain central to efforts to improve the range and quality of services provided for children under five.
8. At the time of the original study, provision for children under five was largely left to the discretion of individual local authorities. The services available varied from one local authority to another, depending on the policies of the authority and initiatives taken by voluntary and private-sector providers.

9. Children must start school full-time at the beginning of the term after their fifth birthday – parents are legally obliged to ensure that their child receives education from this age. Early years education is provision before that date; it is discretionary, though most parents are keen to take up places. In the past, local authorities’ provision for early years education has varied considerably.

10. In July 1995, the Government announced a fundamental change in national policy for the education of under-fives. At the heart of the change was a voucher scheme that would entitle all four-year-olds to part-time education for the three terms before they were required to start school at age five. The vouchers were to be funded by diverting an estimated £565 million from existing local authority expenditure into the centrally administered scheme; central government added a further £165 million.

11. Along with vouchers came other measures which marked a change in approach to early years education. In particular, settings which wanted to participate in the scheme had to comply with new requirements:
- they had to organise their activity in accordance with a system of learning goals set out by central government – in effect, an early years curriculum;
- a new system of inspection was established, adding educational standards to the existing regulation of standards of daycare; and
- private and voluntary providers had to comply with the same arrangements for working with children with special educational needs as maintained schools.

12. The voucher scheme ran from April 1996 in four local authorities and was introduced nationwide in April 1997. However, following the general election in May 1997, the new Government announced its intention to end the voucher scheme and replace it with a planned system of provision for under-fives.
13. The nursery voucher scheme was the first time central government had defined a basic entitlement to education for children under five. Vouchers were intended to guarantee a minimum of three terms of part-time education in the year before the start of full-time schooling, though parents were not obliged to take up a place for their child. This basic entitlement is preserved in the current Government's plans for early years education.

**Early Years Development Plans**

14. The new approach to education for under-fives is based on the principle of partnership between local authorities and private and voluntary providers. Local authorities are to establish Early Years Partnerships which are to include a wide range of local interests in provision of services for young children. The Partnerships will draw up Early Years Development Plans which will detail how authorities will secure high-quality education for under-fives. Local authorities’ initial goal will be securing a weekly minimum of five sessions of part-time education for all four-year-olds.

15. Underpinning the Government's approach is a set of strategic principles [BOX 1] These principles provide local authorities with the framework within which they need to plan early years services for their area.

**BOX 1**

The Government's guiding principles for early years provision in England are:

**Targets**

- A. a good-quality early years place should be provided, by September 1998, free of charge for all four year-olds whose parents want it, and targets set to extend that entitlement to three year-olds over time;

- B. the planning of provision locally should be through the establishment of an Early Years Development Partnership representing a wide range of early years interests. The Partnership and the local authority will draw up an agreed Early Years Development Plan taking into account Children's Services Plans and Reviews carried out under section 19 of the Children Act 1989;

- C. there should be variation in the nature of the services, including the integration of early years education with childcare and out-of-school care, to meet the needs of children and their parents;

- D. LEAs should have responsibility for securing places in partnership with the private and voluntary sectors and with employers;

- E. providers in the private and voluntary sectors must meet certain criteria to participate;

- F. particular attention should be paid to provision in rural areas;

- G. plans should take account of parental choice, perhaps by offering more places than there are resident children;
**Funding**

The costs will be met from existing funding, including the resources allocated to the nursery education voucher scheme. Early Excellence Centres have the potential to benefit from other sources of public funding.

**Staffing**

A qualified teacher should be involved in all settings providing early years education within an Early Years Development Plan.

**Quality assurance, regulation and inspection**

There should be more uniform regulation and inspection of providers from the maintained, private and voluntary sectors, facilitated through harmonised standards.

**Early excellence centres**

A network of 25 Early Excellence Centres will be established to promote innovation in integrated services and high quality training, to act as models for cross-sectoral partnerships and the dissemination of good practice.

**Consultation**

DfEE and LEAs should consult widely on the implementation of these principles, possibly through the establishment of a National Early Years Forum.

**Special needs**

Provision for children with special needs should be integrated, wherever possible.

*Source: Draft Guidance for consultation, July 1997, DfEE*
In drawing up their Early Years Development Plans, local authorities will face new demands. These new arrangements pose a considerable challenge to local authorities. The timetable is tight. Early Years Partnerships need to be established, plans prepared, circulated widely for comment, and approved by the local authority – all by February 1998. Implementation will need to begin promptly to ensure provision for all four-year-olds from September 1998.

17. In drawing up their Early Years Development Plans, local authorities will face new demands. The plans will need to:
   • set out the authority's strategic approach to early years education;
   • demonstrate how the local authority will work in partnership with other providers;
   • show how the authority plans to secure appropriate provision for under-fives;
   • consider how early years education and daycare can meet the needs of children and their parents;
   • show how parents have been involved in the planning process, and how services and information for parents will be improved;
   • outline the authority's plans for ensuring the quality of early years provision in its area; and
   • have regard to value for money, taking into account both cost and quality.

18. One of the most valuable starting points for many local authorities in drawing up their Early Years Development Plans will be the local audit reports on local services for under-fives prepared in 1996. These reports reviewed a number of key areas – strategy and co-ordination of services, working with other providers, access to services – which will be fundamental to Early Years Development Plans. Authorities which have been working to address the issues identified by the audit reports should find that the process has improved their ability to respond to the new requirements of the Government.

19. This update aims to provide a more general review of key issues and good practice. It has been prepared from an analysis of reports on the local audits of services for children under five. The findings in this update are organised to reflect the key requirements of the Early Years Development Plans process, and highlight issues that many authorities will need to address. Examples of good practice are provided to help authorities as they devise their own approach to early years education.

20. In 1997/98, auditors will be reviewing authorities' progress in tackling the issues highlighted in the initial under-fives audits and will focus on issues that are most relevant to the preparation and implementation of Early Years Development Plans.
The Local Audit Findings

21. Local audits were carried out at 111 local authorities during 1995/96 – 97 per cent of all education authorities in England. In Wales, most audits were delayed because of local government reorganisation, and no reports from Welsh authorities have been included in the analysis carried out for this update although the general messages are likely to be as useful to authorities in Wales as to those in England.

22. To prepare this update more than 30 audit reports have been analysed in detail, and further evidence has been drawn from a wider sample of audits. Through auditors’ visits to hundreds of schools, nurseries and playgroups, the audits have added considerable detail to the understanding of the organisation and delivery of services for children under five. Auditors were encouraged to focus their work on the issues most relevant to each authority, so reports do not all cover the same range of topics. Nonetheless, a number of common issues have emerged.

Strategy

23. In drawing up their Early Years Development Plan, local authorities will need to set out their strategy for meeting the targets set by the Government and for achieving any objectives the authority itself has set for early years services.

24. The local audits found that those authorities – mostly urban – with extensive nursery provision in schools were less likely to have a formal strategy for early years education than those authorities where a minority of children are provided with a nursery place in school.
Many authorities considered the expansion of early years education simply to mean providing more places in nursery classes attached to schools.

25. Some authorities have set out a clear vision for early years services in their area and have translated their planning into actions [CASE STUDY 1]. However, even those authorities with formal strategies often took a limited view of their objectives. Many authorities considered the expansion of early years education simply to mean providing more places in nursery classes attached to schools. Sometimes this expansion of nursery education was more of an aspiration than a reality, with the authority having no detailed or costed plans for expansion.

CASE STUDY 1

Good practice in strategy for early years

Cambridgeshire County Council has drawn up a vision for its early years services based on five key principles:

- the central role of parents;
- the diversity of agencies and services;
- the potential for partnership;
- the balance between universal and targeted services to meet a wide range of needs; and
- the need for an even geographical spread of provision to give universal access.

Strategic planning of services for young children is co-ordinated through a Joint Advisory Group. This meets twice a term and includes senior officers from the Social Services and Education Departments as well as representatives of the private and voluntary sector, local training and enterprise councils, the health authority and other voluntary organisations working with young children.

At a local level there are 19 Community Forums made up of parents, teachers, health visitors, private sector and pre-school playgroups, local voluntary organisations and representatives from the Social Services and Education Departments. These provide the authority with local perspectives and examples of good practice. The forums also foster co-operation between local providers and agencies.

In addition, the authority analyses the geographical distribution of current provision and the location of specialist provision, for example, for travellers and for children for whom English is a second language. Action plans are drawn up which set operational goals and assign responsibility for implementation to a named officer. Deadlines are set for the completion of tasks.
26. In order to determine their strategic approach, local authorities need information about the demand for services and current patterns of provision. However, few authorities had carried out detailed analysis of how current provision matched the need for services – for example, through detailed geographical analyses. Even simple measures, such as the number of places per 1,000 children under five, were sometimes missing, while few authorities had compared provision with indicators of need.

27. Most authorities relied for information about the voluntary and private sectors on their records of settings registered under the Children Act 1989. However, some audit reports drew attention to the importance of unregistered provision – for example, parent and toddler groups – in meeting local needs. Few authorities had systematically collected information on all types of provision for children under five.

28. Effective planning requires the co-ordination of the various services provided by an authority for children under five. In addition, Early Years Development Plans will need to incorporate the contribution of providers in the voluntary and private sectors, and must be drawn up in partnership with these providers.

29. Counting to five drew attention to the way in which services for children under five are generally shared between two main local authority departments – education and social services [EXHIBIT 2]. A number of local audits also found other departments involved, notably leisure, libraries and economic development.

EXHIBIT 2
Local authority support for under-fives education
Services are generally shared between education and social services departments

Source: Audit Commission
Effective co-ordination of local authority services for under-fives needs to be matched by external partnership with other providers and agencies.

30. Research by the National Children’s Bureau has shown that there is no single best way to organise services for under-fives. Local audits found that integrated services, where provision for pre-school children is run separately from the education and social services departments, were often effective. But good examples of services organised departmentally were also found.

31. Where co-ordination between departments was less satisfactory, problems arose from two main weaknesses:
   - Poor co-ordinating structures were found in a number of authorities. This was due to poor links between members – for example, no formal committee for considering specific issues affecting young children – or to a lack of contact between departments at director or assistant director level. Working relations between the middle managers of services, however, were usually found to be good.
   - Some authorities lacked a corporate strategy for under-fives. At its worst, this could mean separate approaches by the education and social services departments. More typically, one department would lead the development of strategy, with other departments having little involvement in major decisions.

32. Effective co-ordination of local authority services for under-fives needs to be matched by external partnership with other providers and agencies. At the time of the local audits, authorities were concluding their triennial review of daycare services, required under the Children Act 1989, and all had in place machinery for consulting on the findings and conclusions of their review. However, fewer had formal arrangements for consulting regularly on the provision of early years services.

33. About half of the authorities reviewed had formal arrangements for consultation with providers in the voluntary and private sectors, such as an early years forum. Like formal strategies, formal arrangements for consulting with the voluntary and private sector were more common among county councils than in metropolitan authorities and London boroughs.

34. Not all of these arrangements were working well. Significant weaknesses included:
   - forums with no links to the authority’s decision-making structures;
   - forums consulted on operational matters but not on strategy and planning; and
   - no arrangements for consulting outside the forum, weakening its representative nature.
35. However, a number of authorities were successfully promoting the involvement of a wide range of interests in decisions on services for young children [CASE STUDY 2]. Networks of locally based early years forums, which represent providers and agencies active in particular geographical areas, were sponsored by a number of county councils, while some urban authorities were also trying to encourage links between local providers in specific parts of their area.

CASE STUDY 2

Partnership in planning early years services

Devon County Council has established a Children’s Services Sub-committee, composed of members of the Education and Social Services Committees, to plan developments in its services for under-eights. This sub-committee is supported by an Under-Eights Development Group, which is made up of policy officers and local managers from the education and social services departments as well as representatives of the private and voluntary sectors. This allows for the views of other sectors to be fed into the work of the sub-committee and also for the work of the sub-committee to be disseminated more widely.

In addition, there is a Partnership Steering Group, composed of local authority officers and representatives from the private and voluntary sectors. This group has focused on vouchers – on establishing agreement on quality and on ensuring the availability of training for all sectors working with under-fives. The group has jointly produced a document on quality in the education of four-year-olds. It will be disbanded shortly and an Early Years Development Partnership, with a similar membership, will be established in its place to meet the new Government requirements for early years provision.

In addition to these authority-wide groups, there is a network of District Forums. These are based on social services districts and each one is chaired by a local manager from the social services department, with elected members and representatives from the private and voluntary sectors. The District Forums, taken together, have a devolved budget of over £300,000 to allocate in grants to local early years groups on the basis of criteria set by social services and according to local priorities and needs.
Planning provision

36. Local authorities have been asked to plan provision to ensure that, from September 1998, all four-year-olds will receive a minimum of five two-and-a-half-hour sessions of education each week.

37. In planning to secure this entitlement, local authorities start from widely differing points. Some know that they cannot provide a place in school for every four-year-old. Others have enough — even more than enough — places in their schools for every four-year-old in their area. But for all authorities, it will be important that there are detailed plans for every part of their area since a key finding of many local audits was that access to provision could vary considerably across the authority. This local variation was found both in authorities that provided little nursery education [CASE STUDY 3] and authorities that, in theory, had enough places in nursery classes for every four-year-old in their area [CASE STUDY 4].

CASE STUDY 3

Problems with access to nursery education

Authority A provides few nursery classes, and in two areas visited by the auditor there were insufficient places for the number of children wanting nursery education. In response, schools rationed provision by providing some children with three or four sessions a week. However, this policy was not applied evenly across the authority. In Area A fewer than half the children were attending nursery class five times a week whereas in Area B around three-quarters of the children were attending school five times a week.
CASE STUDY 4

Problems with access to early years education

Authority B had more than enough places to provide a part-time place in a nursery class for all four-year-olds in its area. But nursery classes were not spread evenly across the authority and there was no relationship between the distribution of nursery provision and provision by other sectors. Consequently, in Area A the auditor found that there were insufficient nursery class places to meet demand and that 5 per cent of children were starting full-time school with no previous educational experience. In Area B, however, only one child was recorded as not attending a nursery class. In this area, the number of places exceeded the number of four-year-olds, and many children were able to join a nursery class when they were three.
CASE STUDY 5

Problems with access to early years education

In Authority C, over 10 per cent of children in a deprived inner-city area (Area A) arrived at school with no early years education. This was slightly more than in a less deprived area in the authority (Area B) despite the fact that, unlike Area B, Area A had more than enough nursery places for every local four-year-old. Visits to schools revealed that nursery classes in Area A were admitting many children full-time. As one child attending full-time occupies two part-time places, this practice had reduced the number of places available in Area A to the point where some children were excluded altogether. Analysis of statistics on nursery places and rolls suggested that this problem existed in other parts of the authority.

38. Even where the number of places available locally was adequate to provide places for all children, the admission policies of individual schools sometimes excluded children from any early years education [CASE STUDY 5].

39. In addition to securing access to five sessions a week of part-time education for all four-year-olds, authorities need to review the range of provision available for younger children. In particular, the Government has set a longer-term target of providing for three-year-olds.
While authorities must have responsibility for ensuring high standards in under-fives education it is not necessary, or desirable, for authorities to do this exclusively through direct provision.

For younger children, local audits highlighted the importance of provision outside school. Even unregistered provision — such as parent and toddler groups — play a useful role. For example, they:

- provide for very young children (under 18 months) and their parents; and
- fill gaps in urban areas where extensive nursery education means that playgroups are no longer financially viable.

But few authorities collected information on unregistered providers, let alone included them in their vision of early years services.

The Government is asking local authorities to secure places in partnership with other providers. Some authorities have already approached the expansion of their early years provision through such partnerships [CASE STUDY 6, overleaf]. But, for the majority of authorities, it will mean major changes in planning. Most authorities have focused their planning almost exclusively on ways to increase the number of places provided in nursery classes and have rarely considered ways to expand other provision. Indeed, some audits found that where provision in local authority nursery classes was expanded, the impact of this decision on other local providers, such as playgroups, was not even considered.

While local authority nursery provision can be of high quality, evidence from Counting to Five shows that other providers can supply education for under-fives of equal quality and cost-effectiveness. Diversity of provision also offers parents greater choice in the education of their young children and allows for the sharing of experience and expertise between different sectors. Therefore, while authorities must have responsibility for ensuring high standards in under-fives education it is not necessary, or desirable, for authorities to do this exclusively through direct provision. A lack of any strategic approach, which exploits local opportunities and the skills and expertise of other local providers, represents a waste of resources and a missed opportunity.

In addition to the range of educational provision, many parents also rely on daycare in order to work or study, for example, or for respite in the care of a child with disabilities. The Government has stated that a key theme for Early Years Development Plans will be integrating early years education with daycare. Under-fives Count cited the example of the Wraparound project in Birmingham as an example of work by a local authority to integrate education and daycare. However, at the time of the audits few authorities were planning to expand daycare or link it with early years education.
CASE STUDY 6

Developing a range of provision

The Early Years Unit and the Capital Sites and Buildings Office of the Isle of Wight Unitary Authority have worked with the Pre-School Learning Alliance to support the local co-ordination of provision by encouraging playgroups on school sites.

During the 1970s and 1980s schools were built with the scope and room for nursery provision, but the resources were not found to fund nursery classes. This has provided a supply of rooms which voluntary-sector playgroups have used. In addition, a Children Act review was conducted in 1995 which identified schools with a need for playschool/playgroup provision, and part of the money received from the local bid for 'Capital Challenge' funding was used for the development of appropriate facilities, using Portacabins and/or existing out-buildings on school sites.

Licensing arrangements identify the roles and responsibilities of each group and specify in detail the arrangements for the sharing of facilities between schools and voluntary-sector playgroups. Information about the licensing process is set out in a document produced by the Early Years Unit and the Pre-School Learning Alliance. As a result of this initiative, 43 of the 46 primary schools within the authority currently have playgroups on their sites.

In addition, the authority is supportive of arrangements between schools and pre-school providers which aim to provide the maximum choice for parents in the provision of early years education. These arrangements allow four-year-old children to stay on in playgroups (while enrolling in school) rather than transfer to primary school. The education provided is specified in a contract between the school and the playgroup.
44. The Government's principles for early years education [BOX 1, page 6] set a target of universal entitlement for all four-year-olds. But how should local authorities provide for those children – aged four and younger – who have specific needs? The local audits looked at how authorities identified the needs of such children and how early years services were shaped to meet them.

45. In a number of areas, schools expressed concern that they were admitting children with previously unidentified special educational needs. In some instances the difficulty was said to be poor liaison with local health services; in others it was suggested that playgroups and private nurseries had failed to notice problems with the child's development.

46. However, voluntary and private sector providers were often unaware of referral procedures, and authorities had provided little guidance for independent providers on identifying and working with children with special needs. This situation should have improved over the last year, as the nursery voucher scheme required providers to have regard to the Code of Practice for children with special educational needs. However, research on the implementation of the pilot phase of the voucher scheme suggested that this was an area of weakness for many private and voluntary providers.

47. Where children's specific needs fall under the Children Act 1989 rather than under education legislation, social services departments are usually responsible for meeting these needs. In some parts of the country, the involvement of social services in early years provision could be improved. Problems identified by local audits include:

• variation in access to services across the authority. A child in one area might receive a service unavailable to a child with similar needs living in another part of the authority;

• criteria for admission to specialist provision were sometimes poorly specified. For example, one auditor reported that a child was most likely to be admitted to a social services nursery in the autumn when places became available as older children moved to school;

• lack of structured education in some social services nurseries. Children moving to school could find themselves educationally behind their peers who had attended a nursery class; and

• lack of support or training for childminders who provided places for social services referrals.
48. The Government’s strategic principles for early years education stress the role that parents play in the development and education of their children [BOX 1, page 6]. Parents are the first and most important educator of a child. By the time a child enters a formal early education setting, such as a playgroup or nursery class, he or she will already have learnt many essential skills in the home.

49. Yet few authorities had referred explicitly to the role of parents in their approach to early years education (Case Study 1, above, shows one example of an authority with an explicit commitment to the role of parents). There had been little attempt to find out about parents’ views of early years services – the widespread assumption was that parents wanted school-based nursery education, with admissions as early as possible.

50. However, the lack of an explicit commitment to the role of parents did not mean that local authorities were doing little to involve parents in the early education of their children. On the contrary, a number of auditors reported imaginative schemes to foster positive attitudes to education [CASE STUDY 7].

CASE STUDY 7

Fostering positive attitudes to education

Birmingham City Council has upgraded many of its libraries to make them more accessible to parents with young children. This has included the provision of lavatories and baby-changing facilities, playpens and toys. Each library also publishes a statement of what is available in libraries for under-fives.

The library service has also worked in conjunction with education and health to produce a ‘Bookstart’ pack which includes a toddler’s board book, information about books suitable for pre-school children, and information about events for under-fives, such as story-telling sessions in public libraries. The scheme is co-ordinated by a designated worker who is funded through Single Regeneration funding and the packs are offered to every child (up to 16,000 per year) who attends their routine hearing check at age 7-9 months by Health Visitors.
If parents are to play an active part in the early education of their children, settings need to know how to involve them. Settings should consider how they introduce themselves to parents and children and how they offer opportunities and support for learning at home. A range of good practice in welcoming parents and children was identified in a number of local audits [EXHIBIT 3], much of which had been developed through the initiative of individual schools and other settings. However, few authorities encouraged the dissemination of good practice to other schools and settings.

Teachers at many schools expressed concern that some children received little to stimulate them or to encourage them to learn in the home. Some schools had devised home activities packs to encourage parents to work with their children; others had established special book or toy libraries for the same purpose.

However, where parents themselves have problems with reading or with numbers, they are likely to lack the confidence to teach their children. Some authorities had taken the positive step of establishing schemes that encourage parents to learn with their children [CASE STUDY 8, overleaf].
CASE STUDY 8

Involving parents in early years education

The Family Education division of Devon County Council's Community Education Services Department has, over the past decade, established a number of family education projects funded initially from council grants. For example, Family Education Workshops are run by voluntary management committees, supported by local authority workers, and can be jointly funded by other agencies like social services as well as local fundraising. Parents can attend with their children, sometimes working alongside the children on various craft projects, sometimes having adults-only craft sessions and other activities while their children are playing under the supervision of a project worker.

Another successful initiative within the authority is a series of parent education courses, usually based in infant or primary schools. The tutor-led courses, developed by Parent Education Workers, explore how children learn and how parents can help with this process. Creche facilities are available for parents with pre-school children. The courses last for about 10 weeks, and are 30-hour modules involving home study as well as, in some cases, working alongside children in schools. The courses are accredited by the Open College Network and cost between £800 – £1,000 to run, with an average of between 10 and 15 learners on each course.

Devon County Council also runs the 'Learning Together' scheme which is based in, and funded by, individual primary schools. It aims to involve parents, some of whom may have had unhappy experiences of school, to feel comfortable in the school environment and to be involved with their children's education prior to their beginning formal schooling. The scheme consists of a weekly half-hour session in which parents and their pre-school children borrow books and learning packs with the help of a qualified teacher. The scheme had a high take-up rate, and a review by the LEA and local auditors found it to be highly valued by parents and teachers.

54. Providing parents with information on early years services was seen as a key task by most authorities. Such information was usually centrally produced, although some larger county councils published local directories of information for different parts of their area. However, making information accessible locally also emerged as an issue in urban authorities. For example, a playgroup in one area had conducted research which found that most of its parents had sought information from local sources, such as GP surgeries or the local school, rather than from the council's central information service.
55. Improving quality is at the heart of the Government’s approach to education – and early years are no exception. Ensuring educational quality has also been a major concern of local authorities and is one reason why they have tended to see the expansion of nursery classes in schools as the best way in which to develop provision. But high-quality early years education can be found in all types of setting [EXHIBIT 1, page 4). The aim must be to ensure that all providers meet minimum standards – and that all providers strive to improve on these.

56. At present there are two different approaches to standards in provision for under-fives. Social services have responsibility for registering and inspecting providers of daycare, including private nurseries, playgroups and childminders. Providers have to meet certain standards in order to register, and should be inspected annually to ensure that they continue to meet those standards. To this approach the nursery voucher scheme added the inspection of educational quality for providers who registered to accept children with vouchers. These inspections are overseen by the Office for Standards in Education (Ofsted) in England and by the Office of Her Majesty’s Chief Inspector of Schools (OHMCI) in Wales. The Government has announced that it intends to review these arrangements with a view to introducing a unified quality assurance system.

57. The Audit Commission carried out a national survey of local authorities’ registration and inspection services in spring 1995, and the local audits followed up the survey with a more detailed examination of the efficiency of individual registration and inspection services. While some areas had experienced backlogs in registering new providers or delays in the annual inspections of existing providers, the general finding was that most registration and inspection services were well organised.

58. Useful insights can also be gleaned from the perspective of providers. In general, settings were positive about registration and inspection arrangements. Criticisms, however, focused on three main areas:

• some services failed to ensure that their staff were consistent in applying standards;

• inspections sometimes emphasised the negatives – what was wrong – rather than encouraging positive efforts to improve standards; and

• inspection reports could be better written, making them easier for providers and parents to understand.

59. The remit of local authority registration and inspection services is to assure standards of daycare. The Audit Commission’s survey of services in 1995 found that just under two-thirds had begun to develop links with the education department in order to improve the educational content of inspection work. Examples included:

• using inspectors from the education department to review the educational work of daycare providers; and

• providing registration and inspection staff with guidelines and training to equip them to comment on educational standards.
60. Inspection can identify problems, but providers also need access to advice and support if they are to tackle deficiencies and improve standards. Support for independent providers tended to focus on the management of daycare rather than on the quality of education offered. Indeed, some authorities provided no guidance on early years work for the day nurseries they ran themselves. However, there were examples of good practice. For example, some authorities offered ideas and guidelines on an early years curriculum to playgroups and nurseries.

61. Arrangements for supporting voluntary and private-sector providers were found to be variable. In many authorities, registration and inspection staff acted as advisers to the settings they regulated. This had the advantage of matching advice to the requirements of inspection, but often the volume of statutory work reduced the time available for support. Some authorities had separate staff to advise providers; often these had a wider remit that included encouraging the development of independent provision.

62. Provider organisations – notably the local branches of the Pre-School Learning Alliance (PSLA), whose members are mostly playgroups, and the National Childminders Association (NCMA) – also provided advice to their members. Many authorities funded their local PSLA and NCMA branches to provide training. In some authorities, the PSLA and NCMA employed fieldworkers to support their local members. But in other areas:

- the role of these organisations in supporting providers was not clear and there were overlaps between the work of different groups of staff;
- support was not available to providers who were not members of their local PSLA or NCMA branch; and
- there were no arrangements to support private providers. In general, private nurseries have fewer structures of support than playgroups, yet some authorities refused to provide them with advice or training.

63. Auditors found that opportunities for training in early years education were often limited. Training in schools was perhaps the best organised – though some auditors reported complaints that training was available for teachers but not for non-teaching staff, such as nursery nurses. Training for voluntary and private-sector providers was often delivered through umbrella organisations, who were funded to arrange courses for their members. A small number of authorities were devising ways to increase the training available to early years providers [CASE STUDIES 9 AND 10].
CASE STUDIES

Training for early years providers

CASE STUDY 9

The London Borough of Islington secures five training days each year for each member of staff working in settings for under-fives to match the in-service training days provided in nursery and primary schools. In the case of grant-aided voluntary managed provision, three of these days are spent attending courses designed and run by the Local Education Authority. The content is determined by the Under-fives Training Manager in consultation with the local voluntary sector umbrella group and is based on the findings from the annual inspection programme of Registration and Inspection Officers. The courses aim to encourage particular initiatives within the authority and to address any weaknesses identified by the inspection or through providers' self-evaluation.

The remaining two days are spent in training agreed by staff and their management committees. Playgroups and community nurseries largely use the remaining two days for organisational and planning purposes: the annual development plan may be discussed, or organisational ideas which senior management have heard about while attending courses may be cascaded down to other staff.

In addition to these five training days, the Under-fives Advisory Teacher runs courses which cover six curriculum areas. Staff from all sectors of the service are invited to attend. Integrated training is also being developed for special educational needs co-ordinators. A costing formula is being devised to include the private sector in all training initiatives.

The LEA keeps a record of course attendees, and each voluntary-sector playgroup is expected to keep a record of the training received by its staff.

CASE STUDY 10

In 1996, as part of the Children Act Review, the Isle of Wight Unitary Authority carried out an audit of the skills and qualifications of staff working in playgroups. The audit took around ten weeks to complete and an analysis of the results has led to the development of a programme of courses and conferences devised by the Local Education Authority. One is accredited through the Isle of Wight College as a module for the Early Childhood Studies HNC. The intention is to provide clear career paths that can be pursued by all those involved in playgroups. A review of workers' skills in the voluntary sector will be carried out again as part of the next Children Act Review.
CASE STUDIES

Linking schools and other early years providers

CASE STUDY 11

In Hampshire County Council a pilot project involving 12 schools was established which allowed local playgroup workers to help in reception classes during the autumn term, when playgroup numbers were at their lowest. This helped children to make the transition from playgroup to school, as well as reducing child:teacher ratios, fostering links between schools and playgroups and encouraging the sharing of experience and information. The scheme also provides a form of informal training for the playgroup workers. The project was funded from a central budget but, with the end of the pilot project, schools are being encouraged to fund the initiative themselves from within their delegated budget. The cost is approximately £500-£600 a term.

CASE STUDY 12

Staffordshire County Council has encouraged all schools in its area to link up with local playgroups and nurseries. It funded schools to release teachers to make liaison visits (though this funding had ceased by the time of the audit because of budget pressures). The authority had also arranged for all its social services nurseries to have a linked teacher.

64. Schools can be an important source of advice and support for local voluntary and private-sector providers, and some authorities have explicitly encouraged schools to develop links with local playgroups and nurseries [CASE STUDIES 11 AND 12]. Many examples of good practice were found in schools and playgroups, including advisory visits from nursery teachers, visits of playgroup children to school and the sharing of books and equipment. But many schools showed no interest in local playgroups and were often not aware of what other early years provision was available in their area.

65. For children to develop and progress, it is important that those working with them record their achievements – and that these records accompany them as they move from one provider to another [CASE STUDY 13]. Not all authorities had systems for keeping and transferring records for under-fives where, for example, a child moves from a nursery class to a different infant school or from a social services nursery to school. Very few private or voluntary providers had arrangements for keeping records – and the few that did commented that schools were often unwilling to accept them.
CASE STUDY 13

Creating records of achievement

In Staffordshire County Council, each social services nursery has a support teacher who visits the nursery regularly. With the help of their support teacher, all of the nurseries had developed records of children's educational achievements. Parents were usually involved in completing records, and the record of achievement was given to the parent to pass to school when the child left the nursery. In this way, schools could quickly assess a child's starting point, and parents could better understand and assist the development of their child.

CASE STUDY 14

Linking financial support to educational quality

The award of a grant has been explicitly linked to the inspection process by the London Borough of Southwark. An annual inspection of playgroups by the authority’s Registration and Inspection Unit is used to provide information to the authority’s annual review of grants. If there are areas where the performance of the playgroup is unsatisfactory, an action plan will be drawn up with the assistance of the inspecting officer. A subsequent follow-up visit is used to verify that the plan has been implemented and ultimately, if performance is still unsatisfactory, grant-funding can be withdrawn.

66. All authorities provide some financial assistance to the voluntary and private sectors. Typically, this is a very small part of total spending on under-fives. In some authorities local auditors found it difficult to get a full picture of support for independent provision because a number of different committees and departments were providing grants. It is obviously important that an authority knows what it is supporting and why.

67. For larger grants – for example, to the local PSLA – many authorities have agreements setting out how they expect the money to be used. This should be standard practice. Complicated contracts are inappropriate for smaller grants, but authorities should still be clear about the purpose of the funding. Funding should aim to improve the quality of educational experience offered by a provider [CASE STUDY 14].
Aspects of efficiency

68. At the time of the audits, most local authority spending on under-fives was on supporting direct provision in schools and social services nurseries. This balance may be changing, especially for authorities with relatively low levels of direct provision, as places for four-year-olds are purchased from independent providers. Even so, the bulk of expenditure will continue to be channelled through local authorities’ own services.

69. *Counting to Five* drew attention to evidence of under-utilisation of places in schools and nurseries and advised authorities to review the efficiency of their own provision. Local audits have confirmed that this is an issue for many authorities.

70. Concerns about efficiency were most likely to be raised in authorities with a high level of direct provision. In a number of urban areas, nursery schools and classes had significant numbers of unfilled places. But the full extent of under-utilisation was often masked by schools admitting pupils full-time, thus filling two part-time places [EXHIBIT 4]. In some areas, schools were also admitting children earlier than the official age of admission.

71. There is nothing intrinsically wrong with providing nursery education full-time or admitting children at three rather than at four. Some authorities have a policy of making such provision whenever possible, and the Government, in its strategic principles for early years, has asked authorities to consider extending early years education to three-year-olds.

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**EXHIBIT 4**

Proportion of nursery class places vacant or provided full-time in one urban authority

Some nursery classes had significant numbers of unfilled places – and this problem was often masked by admitting pupils full-time.

*Source: Report of auditor appointed by Audit Commission*
But few authorities had set out the criteria for deciding which children should be entitled to this additional provision. Some local audits found that full-time places or early admission were offered because spare places were available – not because they met children’s needs.

72. Most nursery education is offered in nursery classes attached to primary schools, but some authorities also run nursery schools which are not linked to a primary school. *Counting to Five* reported that nursery schools were, on average, 50 per cent more expensive per place than nursery classes. This conclusion has been borne out by local audit work. One way in which nursery schools might justify their greater costs is by taking on additional roles that would distinguish them from nursery classes. But few authorities had seriously addressed this issue.

73. Poor use of places was less of an issue for social services day nurseries, where levels of occupancy were generally in excess of 90 per cent. However, problems with poor attendance were widely reported. This is worrying for two reasons:

- full use is not being made of an expensive resource; and
- children who have been referred to nurseries because of their specific needs are not getting the support and care they require.

Some social services day nurseries were experimenting, with some success, with ways to encourage attendance [CASE STUDY 15].

74. Local audits raised two other concerns about efficiency in social services day nurseries. Staffing rotas were not always well matched to the hours that children attended, pushing up costs. And authorities providing subsidised daycare were often unaware of the true cost of the subsidy per place. This meant they were unable to determine if there were cheaper or more effective ways of subsidising daycare places – for example, through grants to independent providers.

CASE STUDY 15

**Improving attendance in social services nurseries**

Social services day nurseries in Birmingham City Council have established a number of initiatives to increase attendance in their day nurseries. Parents whose children are not attending regularly are followed up and, where irregular attendance continues, parents are offered either fewer sessions or, as a last resort, their place may be withdrawn. There is also some over-commitment of places to compensate for levels of absence because of illness and other reasons.
75. The audits of education for under-fives in 1996 will have identified, for each local authority, some of the key issues it needs to address in planning its services for children under five. Each authority has its strengths and its weaknesses, but some authorities are better placed to meet the challenges of the Government’s new approach to early years education than others.

76. This review of the local audits has shown that there is a wide range of practice – some very good, some less good. But if the findings are compared with the demands of the Government’s new policies, seven key messages emerge; as listed in the recommendations on pages 31 to 33.

77. Above all, local authorities should see their Early Years Development Plan, especially in its first year, as a working document – something that should be developed to improve the ways in which early education is provided for young children. Implementation may throw up unexpected problems; new information may be gathered which suggests a change of emphasis; working with other providers may suggest new ways to tackle problems.

78. Auditors will be revisiting authorities in 1998 to assess progress since Stage 1 and to look at how local authorities are producing and implementing their Early Years Development Plans. The coming period will pose significant challenges for authorities but also great opportunities to establish extensive, diverse and high-quality provision for local children. Success will give those children the foundation they need to achieve excellence at school and in life.
**Think strategically**

1. Authorities should use their Early Years Development Plans to devise a more strategic approach to planning services for young children. For many authorities, the initial priority will be working out ways in which to meet the objectives set by the Government, but authorities should also define clear local objectives and incorporate these into plans for the long-term development of services.

2. Authorities need to take a broader view of services for under-fives, encompassing other providers in the voluntary and private sectors. Authorities should not focus exclusively on developing their own nursery provision.

3. Strategy should be built on a solid foundation of information about local patterns of provision, including private and voluntary provision, and the needs and views of local parents.

**Work with others**

4. Authorities should ensure the existence of structures that enable members and senior officers of departments involved in the provision of services for under-fives to ensure the effective co-ordination of services.

5. Authorities will need to establish Early Years Partnerships. These should include a wide range of local interests. Some authorities will need to put in place arrangements for consultation that were missing at the time of the audit. Others may be in a position to consider how existing arrangements can be improved – for example, by establishing local forums to ensure that planning takes into account local views and priorities.

6. Authorities should actively encourage operational links between providers – for example, between schools and playgroups – to share experience and good practice.

**Secure appropriate provision**

7. An initial priority for authorities will be to ensure that there is a part-time place for all four-year-olds by September 1998. Places should be available where they are needed and any localised gaps identified by auditors should be filled.

8. Authorities should consider how, in the longer term, they will provide places for three-year-olds.

9. In the longer term, Early Years Development Plans should consider the broader range of provision for young children - for example, opportunities for social contact and structured play for children under three.
<table>
<thead>
<tr>
<th>10</th>
<th>Authorities should work in partnership with other providers rather than focus exclusively on expanding their own provision. By adopting a strategic approach to the whole range of under-fives provision, authorities can expand parental choice, capitalise on the experience and expertise of those working in different sectors, and provide high quality education in the most cost-effective way.</th>
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<tr>
<td>11</td>
<td>Early Years Development Plans should show how authorities are developing procedures for identifying young children with special educational needs and providing appropriately for them. Authorities need to provide training and support for other providers so that they are able to work effectively with children who have special educational needs. Local authorities should also consider how they can best provide for ‘children in need’, who are identified by social services as having social or emotional needs.</td>
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<tr>
<td><strong>Involve parents</strong></td>
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<td>12</td>
<td>Given parents’ central role in the early education of children, local authorities should ensure adequate representation of parents within the Early Years Partnership.</td>
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<tr>
<td>13</td>
<td>Many authorities have established a number of initiatives for involving parents in the early years education of their children. Authorities should disseminate and encourage such good practice so that it becomes standard for all settings.</td>
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<tr>
<td>14</td>
<td>Authorities should find out what provision parents want for their children and seek to understand what parents see as the strengths and weaknesses of current provision.</td>
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<tr>
<td>15</td>
<td>Authorities should ensure that parents have access to high-quality information about early years services. This information should be available to parents locally.</td>
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<td><strong>Focus on quality</strong></td>
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<tr>
<td>16</td>
<td>Authorities should develop initiatives for training early years workers – for example, by undertaking skills audits to identify local training needs and by expanding current training arrangements.</td>
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<tr>
<td>17</td>
<td>Authorities should determine how they will work with early years providers to raise standards – whether by fostering links between schools and other local settings and/or through a centrally organised support service. The Government has proposed that a qualified teacher should be involved with all settings but it will be open to authorities to establish how this will be organised.</td>
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</table>
Authorities should consider providing curriculum guidance and advice on good practice to independent providers.

Authorities should work with local umbrella bodies, such as the PSLA, to provide local support and raise educational standards.

Authorities should consider how they can introduce a systematic approach to records of achievement for young children which can follow them between settings and into primary schools. The best systems involve parents in assessment, helping them to understand their child’s development and how they can support it.

**Use resources efficiently**

Many authorities will be able to identify areas where services for young children need to be improved. The difficulty will be making these improvements without extra resources. The Government has made clear that early years education must be developed within existing funding. This means that each authority should look at how efficiently it is currently using resources.

Authorities should reassess the role of nursery schools. If they are to be retained, authorities should consider using them as facilities for training early years workers and as resource centres for local providers, including those from the private and voluntary sectors, to justify their additional cost and to support the authority’s early years strategy.

Authorities should tackle vacant and underused places in their schools and nurseries.

**See planning as a process**

For many authorities, the current priority is completing their first Early Years Development Plan to the tight timescale laid down by the Government. But, important though the first Early Years Development Plan may be, its submission to the Department for Education and Employment in February 1998 should not be the end of the process. The Government has asked that plans be reviewed annually and that authorities should put in place arrangements for monitoring and evaluating progress.
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