

<b>Title:</b> Childcare (General Childcare Register)(Amendment) Regulations 2012 <b>IA No:</b> DFE 0021  <b>Lead department or agency:</b> Department for Education <b>Other departments or agencies:</b> (Ofsted)	<b>Impact Assessment (IA)</b>			
	<b>Date:</b> 27/06/2012			
	<b>Stage:</b> Final			
	<b>Source of intervention:</b> Domestic			
	<b>Type of measure:</b> Secondary legislation			
<b>Contact for enquiries:</b> Richard.Green@education.gsi.gov.uk Deborah Nickerson / Louise Skelton 0247 666 0076 & 020 7340 8236 / 8508				
<b>Summary: Intervention and Options</b>			<b>RPC Opinion:</b> GREEN	

Cost of Preferred (or more likely) Option				
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, One-Out?	Measure qualifies as One-Out?
£0.029m	£0.023m	£-0.003m	Yes	OUT

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

There are differences in the requirements that apply to providers looking after children aged 0-5 and those looking after 5-8 year olds. Following a detailed review of the Early Years Foundation Stage, changes are being made to the requirements for people caring for young children. As part of a reduction in central government supervision and in order that people looking after both groups of children are not subject to two different sets of requirements, changes are required to the General Childcare Register (GCR) regulations.

**What are the policy objectives and the intended effects?**

1. Place responsibility with providers for checking the suitability of managers of settings 2. Give clarity about when it is acceptable to leave an assistant in sole charge of children. 3. Ensure that childminders are ready to look after children when they register by undertaking training before they can register. The intended effect is to ensure that providers registered on more than one Ofsted register are subject to compatible requirements; childminders are properly trained before they start looking after children; and that providers are able to take more decisions themselves rather than relying on Ofsted.

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

(1). Giving providers the same responsibility to manage CRB checks on managers as they already have with other staff; allowing childminders to leave children with an assistant without needing to involve Ofsted and requiring them to complete training pre-registration. This is consistent with changes proposed for the EYFS, widely supported by providers and parents, in both formal consultation and via the key organisations representing providers. Given the benefits of reduced bureaucracy for providers and consequential savings accruing to Ofsted, this is the preferred option.

(2). Doing nothing – would mean that managers might not be checked and childminders would still have to get Ofsted's permission to leave children with an assistant and would also have sole care for children prior to any training. It is unacceptable for unsuitable people to care for young children. Providers on both the early years register and the childcare register would have different requirements to follow.

<b>Will the policy be reviewed?</b> It will be reviewed. <b>If applicable, set review date:</b> 09/2016					
Does implementation go beyond minimum EU requirements?			N/A		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	<b>Micro</b> Yes	<b>&lt; 20</b> Yes	<b>Small</b> Yes	<b>Medium</b> Yes	<b>Large</b> Yes
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)			<b>Traded:</b> nil	<b>Non-traded:</b> nil	

**I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.**

Signed by the responsible Minister: Sarah Teather Date: 28th June 2012

# Summary: Analysis & Evidence

# Policy Option 1

## Description:

### FULL ECONOMIC ASSESSMENT

Price Base Year 2011	PV Base Year 2011	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: £0.029m

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	£0m	£0m	£0m

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

No monetised costs. Moving responsibility for checks on managers to providers will make little difference to providers since they are already required to complete the paperwork for CRB checks to send it to Ofsted.

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

There will be no loss of earning to childminders. LAs are responsible for training childminders and their costs may increase for resources spent on training all when some may not proceed to register, rather than a few months later when some have dropped out. This is likely to be offset by the lower level of LA support than currently given for untrained providers. On CRB checks, the only extra burden would be minimal admin time to report each change in manager to Ofsted.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate	£0	£0.003m	£0.029m

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

A small reduction in administrative costs for providers no longer giving Ofsted the information on managers and for childminders no longer needing to seek Ofsted's permission for leaving children with an assistant.

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

(1) More autonomy to take their own decisions without recourse to Ofsted. Sending CRB applications to Ofsted is unnecessary and childminders will no longer need to seek permission to leave children in their care with an assistant. (2) Providers on more than one register do not have to fulfil different administrative requirements for the different registers. (3) There will also be benefits to the children by being cared for by a trained childminder from outset.

#### Key assumptions/sensitivities/risks

Discount rate (%) 3.5%

These changes align with those to the Early Years Register (EYR) and need to be made alongside them. The vast majority of providers on the GCR are also on the EYR and are included in the EYFS Impact Assessment rather than this one. There are about 700 active childminders on the GCR that are not on the EYR. 25% of childminders have assistants. There are around 650 new managers a year for settings on the GCR.

### BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs: £0m	Benefits: £0.003m	Net: £003m	Yes	OUT

## **Evidence Base (for summary sheets)**

**This paper describes the background and the case for Government action, and the costs and benefits of the recommendations.**

### **Problem under consideration**

#### Background

Childcare for children from birth to 8 years old is regulated in England by Ofsted. Ofsted operates two registers on behalf of Her Majesty's Chief Inspector of Education, Children's Services and Skills (HMCI); the Early Years Register (EYR) for carers of children aged from birth to 5 years old and the General Childcare Register (GCR) for 5 to 8 year olds.

Ofsted also maintains a voluntary register alongside the compulsory part of the GCR for providers who are not statutorily obliged to register. This register is intended to provide reassurance for parents and enables eligible parents to claim childcare tax credits.

The Childcare (General Childcare Register) Regulations 2008 (S.I. 2008 No. 975) are made under Part 3 of the Childcare Act 2006 and set out the legal requirements relating to the compulsory and voluntary parts of the General Childcare Register (GCR). The Regulations set out requirements for registration and the ongoing requirements once providers have registered.

The equivalent of these for providers of care for 0-5 year olds are in the Childcare (Early Years Register) Regulations 2008 (SI 2008 / 975) and the Early Years Foundation Stage (EYFS) statutory framework document.

The vast majority of providers registered on the General Childcare Register are also on the Early Years Register. Of the 96,000 (all figures are rounded) providers currently registered on either or both of the EYR and the GCR only 13,000 are only on the GCR. Of these 13,000 providers:

- 2,100 provide after-school and holiday clubs (known as childcare on non-domestic premises)
- 860 are childminders (of which around 700 are active)
- 9,800 are nannies who have chosen to register on the voluntary part of the GCR and are not affected by the changes described in this Impact Assessment.

Following a detailed review of and consultation on the Early Years Foundation Stage, changes are being made to the statutory requirements for people caring for young children. Some of these changes are also relevant to those looking after older children. In order that people looking after both young and older children are not subject to two different sets of requirements, changes are required to the General Childcare Register regulations. There are also some administrative changes planned by Ofsted which will render parts of the current regulations unworkable unless changes are made to them.

This Impact Assessment is concerned with the changes to the GCR alone in order to keep the registers consistent with each other and covers around 2,200 of the 13,000 providers who are only on the GCR. The 83,000 providers on both registers are covered by the Impact Assessments for EYFS statutory framework (Safeguarding and Welfare Requirements) and the Early Years Register which are being submitted at the same time as this Assessment.

### **Criminal Records Checks in respect of setting managers**

Currently, the GCR regulations specify that providers applying for registration, or appointing a new manager once registered, must supply to Ofsted key information about their managers to demonstrate suitability. To safeguard children, an enhanced Criminal Record Bureau (CRB) check must be completed to establish the suitability of staff working with children. Currently, providers send the application for a CRB check in respect of their managers to Ofsted. However, there is no statutory duty for Ofsted to forward CRB applications on behalf of providers, and Ofsted intends to cease performing this part of the process from September 2012. We propose requiring group providers to take responsibility for obtaining CRB checks on managers – consistent with providers' general responsibility for ensuring that their employees are suitable. Group providers will continue to be required to notify Ofsted of any change in manager in order to inform the assessment that Ofsted makes when deciding when to inspect a provider.

## **Childminders, the EYR and the GCR**

As set out above, there are two Ofsted-administered registers for childcare providers; the EYR and the GCR. Broadly, the GCR covers compulsory registration for those looking after children over five, and allows for voluntary registration for providers who do not need to register by law. Most registered childminders (56,578 out of 57,663) are on both registers. The number of childminders required to be on the GCR only is much smaller – 610 on most recent figures – although more choose to do so, for example to help them market their services to parents.

### **Childminders' Training**

Currently, both the GCR regulations and the EYFS require childminders to complete a local authority approved introductory childcare course within six months of registration. This means that childminders are able to care for children before they fully understand what is required of them to keep children safe and there are concerns that this is not in children's best interests. Following extensive consultation, childminders' training will in future need to be completed as a condition of early years registration. This change attracted clear support in consultation, with 76% of respondents in favour.

The case is very strong to make a similar change for the GCR, as it is equally important that childminders looking after older children understand how to protect children from harm. In practice, given the overlap between registers, the number of childminders affected solely by this GCR change in isolation will be very small. The vast majority of childminders who are also registered on the EYR will in practice be unaffected as they will already be subject to the EYFS requirement to complete training. It is however important to minimise potential confusion about requirements.

This is, therefore, a logical and minor change, as a consequence of the EYFS changes, that attracted substantial support in a consultation which covered the relevant people and issues, albeit with a focus on younger children. It would not have been proportionate to repeat the EYFS consultation for this small consequential change to the GCR, not least because providers and sector organisations would assume such a change would cover both registers and would be surprised if we changed one and not the other. We did however consult on this specific change in a more targeted way; by writing to stakeholders representing provider organisations, as described below, as well as Ofsted, and taking into account their views on these changes to the GCR.

### **Childminder Assistants**

The impact assessment for EYFS Safeguarding and Welfare Requirements Regulations proposes that childminders will no longer be required to make individual applications to Ofsted for permission to leave children with childminder assistants. Ofsted's current practice, of granting such permission in most cases for a maximum of 2 hours per day, will now be made explicit as a written requirement in the EYFS. Childminders will also continue to be required to obtain parental agreement, as set out in current conditions. The 2-hour limit derives from the maximum amount of time a person can provide childcare without registering as a childminder in their own right, specified in the Childcare (Exemptions from Registration) Order 2008.

At present the GCR regulations also require childminders to obtain permission from the Chief Inspector to leave premises on which care is provided (thus leaving children in the care of an assistant). The proposal is to ensure that the GCR regulations on childminders assistants are in line with the proposals for the EYR and EYFS by allowing Ofsted's current practice, of granting such permission in most cases for a maximum of 2 hours per day, to be made explicit in the GCR regulations.

## **Consultation**

- These changes to the GCR follow a detailed review and consultation on the changes to the EYFS, which covered the relevant people and included questions on issues that were also of relevance to the changes to the statutory requirements for the GCR. The vast majority of providers registered on the GCR are also on the EYR. People will have assumed the change would cover both registers and would be very surprised if we changed one and not the other. Indeed it would be burdensome to a minority of providers if we were to fail to change the GCR regulations in line with the EYFS changes.
- To build on this a further consultation on these changes has been carried out informally with stakeholders representing provider organisations: National Childminding Association (NCMA) representing childminders; Pre-School Learning Alliance (PLA) which represents providers caring for 3-5 year olds; 4Children which represents interests of all children from birth to 19 years old; National Day Nurseries Association (NDNA); and Day Care Trust a national charity that provides information for parents, childcare providers, employers, trade unions and local authorities.
- 4Children indicated that they thought the proposals were sensible, PLA were content with the proposal and NDNA broadly welcomed the proposals. NCMA were supportive of the proposals, feeling that providing information up front on childminder assistants is a fair approach and they would, in fact, welcome even more training before registration.
- We have taken into account the views of these major stakeholder organisations and informed them of the proposed changes and received no adverse reactions.
- The Minister of State has formally consulted Her Majesty's Chief Inspector about the changes and has received his agreement.
- Ofsted will be working up a detailed communication plan to inform providers and parents about the changes and we will work with them on that plan.

### **The proposed reforms are designed to achieve the following policy objectives:**

- 1. To place responsibility with providers to ensure that those managing settings have undergone the appropriate checks to provide basic safety for children**
- 2. To make it easier for childminders to take decisions about how and when to use assistants.**
- 3. To reduce burdens for providers on more than one register by ensuring coherence between regulations**

## **Policy Options**

### **Criminal Records Checks in respect of setting managers**

**Option 1 (the government's proposed approach) Clarify in regulations that group providers are responsible for obtaining enhanced CRB checks.** This would ensure that persons to be appointed as managers have no criminal records which would make them unsuitable to work with children. It is consistent with group providers' general responsibility for ensuring that all people they employ are suitable. The GCR regulations currently require providers to send CRB applications to Ofsted who forward CRB checks to the appropriate bodies. Ofsted has no legal duty to undertake this role and they intend to cease performing it from September 2012. The GCR regulations must therefore be amended to ensure that providers have a legal duty to check managers and that they notify Ofsted about a change in manager in order to inform Ofsted's inspection decision-making process.

**Option 2 Leave the process unchanged.** This would be unacceptable because Ofsted intend to cease arranging CRB checks. If the GCR regulations were not updated and instead continued to require providers to send the application to Ofsted, the process would become dysfunctional and managers' suitability to be in contact with children would not be checked.

## Costs and benefits of Option 1

One-off monetised costs: None

Annual monetised costs: None

Non-monetised costs: There will be a very small additional administrative cost to providers when notifying Ofsted that a new manager has been appointed. Currently, the regulations require providers to submit both a completed CRB form to Ofsted and key information about their managers. This also has the effect of notifying Ofsted that a new manager has been appointed. Ofsted verify the application and then forward the application on to CRB. Under the new process, providers will send the CRB application form to another organisation, a 'registered body', to verify the application and forward it to CRB. This is no extra burden to providers as they will simply have to post the same information as they did to Ofsted but to a different address. However, providers will now need to notify Ofsted that a new manager has been appointed. This will be by a simple email, which only needs to state that a new manager has been appointed and does not need to contain any details about the manager. The purpose of this notification is to enable Ofsted to identify frequent changes of manager which might indicate increased risk and therefore trigger an earlier inspection.

We have not monetised any notional cost for providers in making this simple notification, because it is an extremely small task, for which no specific paperwork will be necessary and it only affects the 2,100 providers on the GCR but not on the EYR that have managers. These only have about 650 new managers that need to be checked each year and some of these are new registrations.

One-off monetised benefits: none

Annual monetised benefits: £3,356

There will be a small reduction in administrative costs for providers no longer giving Ofsted the information on managers but managing the checks themselves and making savings.

Non-monetised benefits: Providers will have the full responsibility for decisions about whether or not to employ managers, rather than having to share that responsibility with Ofsted.

## Risks and assumptions

We are assuming the costs of sending a CRB check to a registered body are at least offset by savings from no longer supplying detailed information to Ofsted for the manager's suitability check, so we expect minimal net impact on business, with the risks skewed toward a net saving rather than cost.

This only affects those of the 2,100 after school and holiday clubs registered on GCR but not on the EYR that have managers.

- On average there are about 650 new managers that need to be checked each year (including new registrations).
- Estimated 20 minutes per provider saving from not having to send the information on managers to Ofsted if they appoint a new manager. This time saving takes into account that providers will still have to notify Ofsted that a new manager has been appointed, though they will no longer have to send any details on that manager.
- Assumed wage of £12.80 per hour (Early years and childcare providers survey 2010, tables 3.1 & 5.17, average of senior management pay across setting types), uplifted by 21% to £15.49 to reflect additional costs of employment (e.g. overheads, national insurance and pensions contributions), based on evidence from the Labour Cost Survey (2004)
- $(650 \text{ new managers p.a.}) \times (£15.49/\text{hr}) \times (0.3 \text{ hr}) = £3,356 \text{ p.a.}$

## Childminders' Training

**Option 1 (the government's proposed approach) - To require childminders to complete training before registering instead of within the first six months.** As set out in the Impact Assessments for the Early Years Register and the Early Years Safeguarding and Welfare requirements, the revised EYFS

will require that childminders have completed training before registration and we propose that this should also be a requirement for childminders registered on the GCR. As shown by the consultation on the Early Years Foundation Stage, which was also relevant to the GCR, **and the subsequent targeted consultation with stakeholder organisations**, this responds to parents' and providers' concerns that it is not in children's interest to be in the care of people who have not had training and therefore might not understand how to protect them from harm. It has the benefit of aligning requirements for the two registers, making it easier for providers on both registers to comply. It also means that childminders, who currently start caring for children without the benefit of training and then realise that they no longer wish to look after children, are more likely to withdraw during or following training and would thus be saved the effort and paperwork involved in registration.

**Option 2 Leave requirements unchanged.** This would allow childminders in some cases to register and begin caring for children before they have completed training. This would not be in children's interests, as completion of basic training is an important assurance about the capability of childminders to care for children. It could also lead to confusion about requirement for childminders who are on both the Early Years and the General Childcare Registers.

## Costs and Benefits of Option 1

One-off monetised costs: none.

Annual monetised costs: none.

Non-monetised Costs: Currently, some childminders take places on training courses but do not then practice as childminders. The number of these 'unproductive' training places might increase slightly because their training would happen earlier in the pre-registration process, as they will in future have to complete training before experiencing childminding. Local authorities may need to revisit their delivery/commissioning of training to anticipate and meet local demand from prospective childminders. However, currently most childminders complete the training before registration and the number of childminders on the GCR alone that are affected by this change is very small. There should be no delay to registration for childminders and training is only a few hours so we do not expect any loss of earnings.

One-off monetised benefits: none.

Annual monetised benefits: none

Non-monetised benefits: children, parents and society will benefit from the assurance that all childminders will complete basic training before they begin to take sole responsibility for the care and safeguarding of children. Ofsted will have more information on which to base the registration decision and providers who register and subsequently withdraw will save wasted effort in registration. Providers on more than one register will not have to fulfil different administrative requirements for the different registers.

## Risks and assumptions

- There should be no delay to registration for childminders: Based on information from Ofsted and the sector, there should be no delay to registration for childminders and thus no loss of earnings due to delays to when they can start operating. Ofsted's lead times of 2-3 months for registration will still allow adequate time for childminders to complete an introductory course within this time, whilst they are awaiting Ofsted's confirmation that they are registered.
- Coordination of timings can easily be carried out: Childminders plan ahead according to Ofsted's lead times and according to the relevant local authorities' lead times for training. Local Authorities provide training either 'on demand' or on a school-termly basis, and feedback from the sector confirms that there are no cases of childminders experiencing delays. A broad-brush sample suggests that 60-70% of childminders already complete training before registration, with some variation by local authority. Some of the checks in the registration process take time to process and therefore this allows childminders sufficient time to coordinate specific timings for training during the start-up period.

In the 30-40% of cases where childminders currently complete training after registration, there is a theoretical risk that the effect of the proposed change will be to delay registration slightly while awaiting training, but this risk is easily prevented as it is only a matter of childminders coordinating

specific timings during the start-up process, and the impact of the amended requirement should not be significant. We know that where childminders currently register before completing training, most will nevertheless complete training very soon after completing the registration process and before beginning to practise as childminders. The only change is that they will have to have completed training before they start provision, but there should be no impact on their ability to start operating.

Moreover, training is not lengthy. The course entails a single session lasting 2-3 hours (though LAs also offer more detailed training, which is optional for childminders).

- There should only be a very small increase in demand, if any, for training: Some childminders who would have registered and then found out whilst practising that it was not for them, may in future discover this in the training and so not go on to complete registration. Although a potential of a fall in registrations was not raised by respondents to the EYFS consultation, it is possible that some local authorities might have to train more people than actually register as childminders. However, as this training is already delivered with the effect that most childminders complete the training before registration, there should only be a very small increase in demand, if any, as a result of the change.

Similarly, there should be no overall increase in the time local authorities spend in planning and organising training. In any case, any increase in training is likely to be offset by the lower level of LA support needed for newly registered childminders who have been trained.

- Local authorities will not view this change as an opportunity to start charging for their training course: Local authorities are not obliged to provide training free of charge but have done so to date. As this could not be considered an additional barrier to entry into the sector, there is little impact on childminders as emerging micro-businesses or effect on employment. Although the number of childminders affected by this change, i.e. those only on the compulsory part of the GCR, is very small, the change is necessary to ensure alignment with the revised EYFS for the benefit of childminders on both the GCR and EYR.

## **Childminder Assistants**

**Option 1 (the government's proposed approach) - Put requirements in regulations.** Childminders will no longer be required to make individual applications for Ofsted's permission to leave children with their assistants. Ofsted's current practice, of granting such permission in most cases for a maximum of 2 hours, will now be made explicit as a requirement in the regulations. Childminders will also continue to be required to obtain parental agreement and to ensure that there is a qualified first aider on the premises, as specified in current conditions. The 2-hour limit derives from the maximum amount of time (set in the Childcare (Exemptions from Registration) Order 2008) that a person can provide childcare without registering as a childminder in their own right.

**Option 2 no change.** Maintaining the current system would mean that the GCR regulations would continue to require childminders to make individual applications to Ofsted for permission to leave children with childminder assistants. However, Ofsted will cease to consider such applications from September 2012 meaning that childminders who do not already have permission won't be able to leave children with an assistant, which will prevent them from managing their businesses in the most effective way. It would also mean that the GCR regulations on childminder assistants would not be in line with the proposals for the EYR and EYFS.

## **Costs and Benefits of Option 1**

One-off monetised costs: none.

Annual monetised costs: none.

Non-monetised Costs: none.

One-off monetised benefits: none.

Annual monetised benefits: £100



Childminders will not need to seek Ofsted's permission for leaving children with an assistant but the greater clarity would able them to decide for themselves, within the constraints of the requirements. There will be a small reduction in administrative costs for childminders, estimated at no more than an hour maximum, for writing a letter or sending an email to seek Ofsted's permission.

Non-monetised benefits: Childminders can make their own decisions about whether and how to use an assistant within published parameters. Providers on more than one register do not have to fulfil different administrative requirements for the different registers.

## Risks and assumptions

- 700 active childminders on the GCR only (i.e. not on the EYR)
- A quarter of these active childminders have assistants – i.e. 175
- Estimate of no more than one hour of a childminder's time (at a cost of £11.40), to seek Ofsted's permission for leaving children with an assistant by writing a letter or email
- Estimated that only 15% request changes over the 3-year cycle as childminders already using assistants have permission and don't normally need to request a change, so the requests only come from those looking to expand by taking on an assistant, or those new to the register.
- $(700 \text{ active CMs on GCR}) \times (25\% \text{ with assistants}) \times (15\% \text{ requesting changes}) / (3 \text{ years}) \times (1 \text{ hour}) \times (£11.40 \text{ per hour}) = £100 \text{ p.a.}$
- A perceived increase in risks to children being left in the care of childminder assistants. However, there is still a requirement for assistants to be CRB checked, for parental permission and for a first aid qualification and Ofsted can still take relevant enforcement action against failure to meet the requirements. The change will have no effect on child welfare as in practice it will be applying the same principle as Ofsted's current practice, by making this explicit as a requirement in the regulations, though it will be saving providers from having to ask for individual permission and Ofsted for having to respond to the request.

## Wider impacts

**Parents** – The revised regulations will provide better clarity for parents about: who is responsible for checking that setting managers are suitable to be in contact with children; the fact that all childminders should be fully trained; and the circumstances under which childminders can leave children with assistants.

## Small Firm Impact Test

We are applying for the moratorium for micro-businesses to be waived for the purposes of these regulations because the providers, of whom a significant proportion are micro-businesses, are all in a position of sole responsibility for children and these regulations are essential for protecting those children from harm. The childcare sector as a whole has 105,100 providers but only 434,100 staff, so the average size setting employs only four staff per setting and even the biggest settings are relatively small. With only a very few settings employing more than 20, the 89,500 childcare providers are mainly small and micro businesses.

Source DfE: Childcare and Early Years Providers Survey 2010

<http://www.education.gov.uk/rsgateway/DB/STR/d001024/index.shtml>

These changes will reduce the administrative burden on these small firms.

If micro-businesses were exempted from the changes, they would be left with the current regime and its costs while larger businesses enjoyed the benefits of the new simpler regulations.

## **Competition Assessment impact test**

The new regulations apply to all providers equally, thus they will not directly or indirectly limit the number or range of suppliers nor limit the ability of suppliers to compete nor reduce suppliers' incentives to compete vigorously.

## **Direct costs and benefits to business calculations**

### **One-In-One-Out (OIOO)**

From the Childcare and Early Years Providers Survey 2010 (table 4.7), using a weighted average based on number of places, we infer that 20% of group providers are provided by the public sector and that 80% are provided by the private and voluntary sector. All childminders are from the private and voluntary sector. The monetised costs affecting each provider type have been apportioned to business using these assumptions.

### **Implementation plan:**

We have notified key stakeholder organisations of these amendments. Ofsted will be working up a detailed communication plan to inform providers and parents and we will work with them on that plan.

- Revised regulations drawn up by Feb 2012
- Amended regulations laid – Spring 2012.
- Revised regulations come into force – 1 September 2012.

### **Post-Implementation Review**

Post-implementation, we will continue to hold regular “Keep in Touch” meetings with Ofsted, including at Ministerial level, during which we will review any implementation issues arising. Any consequential revisions to the policy would be raised thorough Ministerial channels in the normal course of business.

In addition, the policy changes made here will be considered as part of a broader review in September 2016, which will cover all the regulatory changes made in response to the Tickell Review.

We believe this to be a proportionate approach, given the size of the policy change under consideration.