

Written evidence submitted by Cache, The Early Years Alliance, The Foundation Stage Forum, The National Day Nurseries Association and
Tops Day Nurseries

The impact of COVID-19 on education and children's services: joint written evidence submission from the childcare and early years sector

Executive Summary

1. This is a joint written evidence submission from the following organisations:
 - Cache
 - The Early Years Alliance
 - The Foundation Stage Forum
 - The National Day Nurseries Association
 - Tops Day Nurseries
2. We are a coalition of childcare and early education organisations that work together to support and promote non-maintained private, voluntary and independent (PVI) childcare providers, in appreciation and acknowledgement of the value of high-quality early education in helping every child to have the best possible start in life. The COVID-19 crisis is having a disastrous financial impact on the sector, exacerbating the pre-existing funding crisis. We are also frustrated at the Department for Education's conflation of schools and early years settings when issuing policy and guidance, which has made it harder for the sector to operate during lockdown and prepare for reopening. Together, these leave an urgent need for a meaningful review of childcare policy.
3. This written evidence submission outlines our perspective on the following key areas:
 - The Government's COVID-19 support schemes available to PVI providers.
 - The issues there are with Government guidance and the assumption that the early years can be managed the same way as schools.
 - Safety concerns about the wider opening of the sector.
 - Valuing the contribution of the sector, both to this crisis and beyond, so that staff can be paid a real living wage and be incentivised to upskill.
 - The impact of this crisis on disadvantaged children.
 - The policy changes needed to ensure the resilience of the sector in future.

Government support schemes

4. The Coronavirus Job Retention Scheme has been a key resource for the early years sector, offering nurseries, pre-schools and childminders who employ assistants some financial stability. Many providers have benefitted greatly from the scheme and welcomed its extension. There were, however, critical communication issues with this, which have had a damaging impact upon budgets. Many providers believed they could access the scheme in full and planned accordingly – acting in good faith, only to later discover from a further late-night announcement that they could only claim support from their private income to cover staff costs. Providers had made financial plans based on their initial understanding of the scheme and were left scrambling in financial difficulty, having promised more security for their staff than they were able to offer. On average, 30% of providers' income is accounted for in fixed costs, so basing eligibility for the

scheme on staff costs alone fails to recognise this essential fact and thus does not provide adequate support. A survey by the Early Years Alliance found that nearly half of childcare settings that employ staff may now be forced to make redundancies due to the Government's miscommunication and the limitations of the scheme. Where people's livelihoods are at stake, this detail needed to be immediately clear, and the lack of clarity from the outset has been truly damaging on the childcare and early education sector.

5. The news that early entitlement funding would continue was also welcome, but considering how greatly the financial configurations of different settings vary – with some having a greater proportion of funded children, while others receive more of their income from parent fees – the eligibility specifics of the Job Retention Scheme left many setting owners and managers having to make very detailed calculations in a very short space of time and in a panicked state. Many providers have underclaimed for support from the scheme due to the lack of clarity and it is still unclear whether they will be allowed to adjust future claims to make up for this. Ultimately, while it has been a key lifeline for some, the way in which Government has engaged with the sector under the Job Retention Scheme has impacted the financial sustainability of many providers and left them fearing permanent closure.

5.1. Similarly, the announcement that local authorities would be able to redistribute early entitlement funding, even as a last resort, was both unsettling and damaging, particularly in this context. Providers were under the impression that they would receive early entitlement funding whether they were open or closed, and this last-minute change also undermined the financial decisions that had been made based on Government guidance. For example, Wiltshire County Council has been [paying](#) £100 per week per child to settings that remain open; taking the money from those which have closed. This has resulted in a 60% cut for closed providers in June, who must still meet fixed costs. Hampshire County Council announced on Friday 29 May that children who did not attend on 1 June would not have their funding paid; after nurseries have staffed for these children and budgeted accordingly. We would normally expect a month's notice of a significant change like this to a child's place, but these are exceptional circumstances. The council seems to have no respect nor understanding for this, pulling funding with no notice despite having already paid it. Local authorities seem to be interpreting government guidance however they choose, often in contradicting ways, leaving nursery owners confused and distraught.

6. There are also key areas of concern amongst childcare and early education providers regarding other Government support schemes. Many settings rent their premises, or are based in premises that do not attract rate relief, so are unable to benefit from the £10,000 Small Business Grant. Others cannot access this scheme because their premises have a rateable value of more than £15,000, despite the fact that retail, hospitality and leisure businesses whose premises have a rateable value between £15,000 and £51,000 can claim grants of £25,000. Overall, the Early Years Alliance's research found that 74% of providers do not believe that the Government has provided enough support for the sector during the COVID-19 crisis.

Issues with Government guidance

7. There is a tangible sense within the childcare and early years community that the Department for Education does not understand the early years sector. Providers consistently feel that early years is treated as an afterthought or simply conflated with schools, when our circumstances are

fundamentally different and, thus, require a different approach. This feeling has been felt within the sector for some years as policy has developed, but the COVID-19 crisis has exacerbated this.

- 7.1. Government guidance [states](#) that providers' circumstances should already allow for small group working but where it does not, *"we expect practitioners to exercise judgement in ensuring the highest standards of safety are maintained."* It also [says](#): *"It is still important to reduce contact between people as much as possible, and we can achieve that and reduce transmission risk by ensuring children, young people and staff where possible, only mix in a small, consistent group and that small group stays away from other people and groups."* This guidance fails to grasp how vastly facilities vary; some may operate from a single room or church hall, and most children and staff attend settings for different configurations of days and hours, meaning it is impossible to group and separate. Many children also attend more than one childcare setting, which would dilute the effectiveness of containing them in small groups. Providers are deeply concerned that they simply cannot comply with guidance. They fear for the implications of this upon the safety of children, staff, and parents, as well as the regulatory consequences. Providers are also left pondering whether settings will need to close, as they are unable to operate under the requirements of *"the new normal"*.
 - 7.2. This situation is exacerbated for childminders, who often operate out of their own homes, meaning it is even harder to keep children apart. Childminders are also self-employed, so have really struggled with their incomes during this crisis. The Self-employment Income Support Scheme is welcome but, whilst we recognise it is well-intentioned, it does not reflect the needs of childminders who make very little profit, had to wait months for payment, and/or are not eligible for Universal Credit if they have a partner who is still earning. It also offers no support to those who have been operating for less than a year. Childminders also tend to have a lower proportion of children for whom childcare is Government-funded, so the maintenance of these entitlements has not provided enough stability.
8. A mixture of unclear guidance and poor communication has sparked anxiety and exasperation across the sector at the failure to recognise how the early years sector differs hugely from schools. For example, guidance has instructed the education sector as a whole to keep parents as separate as possible when they collect and drop off their children, by staggering when they arrive and leave. At most nurseries, there is a large window of drop-off and pick-up times already, and parents select a time that is best for them based upon their own working hours. Parental contact tends to be fairly staggered, but enforcing stricter boundaries would mean that the service offered to parents suits their needs much less, particularly for key workers who may not have much flexibility in shift patterns. In addition, whilst parents can stay behind *school* gates, when dropping younger children off at *nursery*, they often need to be able to come inside and settle younger children. Government guidance is lacking, for example, an explanation of how a parent could feasibly drop a baby off at a childcare setting whilst staying a safe distance away from staff - or without touching anything.
 - 8.1. Guidance has instructed schools to consider staggering lunchtimes. It does not state what early years settings should do about these. Some settings, such as Tops Day Nurseries, have been forced to announce that when they fully re-open in June, children will not be able to bring packed lunches, as it will be too difficult to prevent these

surfaces from carrying the virus. This lack of constructive guidance in this area further demonstrates Government's lack of understanding of the sector, as in nursery settings, children will often eat lunch in the rooms they learn and play in, too. In areas such as this, where guidance does not require adjustments, this often inspires fear, as providers are left wondering whether normal operations will be enough to keep staff, children and families safe, particularly as it has not been deemed safe to be fully open until now. Parents are also worried about sending their children back to their childcare provider, knowing that social distancing cannot take place there – regardless of what the scientific advice says - and do not know whether, if they choose not to send them for the time being, they will lose their place.

Safety concerns

9. The Government has accepted that, to an extent, social distancing with young children is not possible. Guidance [states](#): *“early years and primary age children cannot be expected to remain 2 metres apart from each other and staff. In deciding to bring more children back to early years and schools, we are taking this into account.”* There has been a great deal of public discussion about whether it is safe for teachers to bring more children back to schools, but early years settings have been largely excluded from this conversation, despite the heightened proximity and exposure in the sector, and the fact that they will re-open in full, while schools will only see a phased reintroduction of children. Early years teaching involves changing nappies, other forms of intimate care, cuddling children, and children sitting on laps throughout the day. Nursery-age children are simply too young to try and adjust this or to have cognisance of why such changes are necessary, and whilst it does appear that the Government accept and account for this, guidance on personal protective equipment (PPE) has been issued to schools and early years providers as one, without acknowledging the heightened exposure in early years settings. The sector understands that some studies have suggested there is a lower infection and transmission rate of COVID-19 in young children, but it must be acknowledged that this risk will never be eliminated.

- 9.1. The early years sector will inevitably require more PPE than schools due to this proximity, but has not been offered more funding for this. For many providers, PPE feels essential, but they have access to very little. They are often reliant on donations but feel this should be provided centrally to ensure hygiene and safety. Moreover, Government guidance instructs practitioners to don full PPE if a child becomes ill at their nursery. Many simply do not have the supplies to allow this, or the money to fund it. Some settings have been able to source enough PPE for their needs, but this is by no means the case for all. Conflicting guidance has been [issued](#) on whether childcare and early years settings can contact their local resilience forum to obtain PPE, and ultimately the Department for Education has clarified that they are not eligible for this support. The Government must act urgently to ensure the sector can access the protection it needs.

10. A similar issue exists with cleaning, as younger children, due to their age and natural inquisitiveness, inevitably touch and so contaminate their surroundings to a much greater extent than school-age children. Nurseries and childminders have had to greatly intensify their cleaning efforts. The Foundation Stage Forum is informed of one nursery where an hourly alarm goes off to signal that all surfaces and toilets must be cleaned, whilst others are enforcing a longer lunchbreak to clean the entire facility, which means that they have to ask different children to

attend in the morning and the afternoon, and cannot be as adaptive to the needs of parents. Providers are having to undertake these costly additional cleaning measures with no extra financial support, whilst schools can [claim](#) thousands of pounds for the same necessity.

Valuing the contribution of the sector

11. Early years practitioners play a crucial role in the development and education of children. Throughout this crisis, the sector has also enabled key services, like the NHS and police force to operate, by caring for workers' children. It has proven how critical it is to how the country runs, meaning greater Government understanding of the sector is essential. The sector has shown immense bravery and eagerness to go above and beyond during this crisis. Staff have often put their own health risks and anxieties aside. Like many other key workers, their pay does not reflect their crucial role – the [average](#) wage of an early years practitioner is £8.74 an hour. They deserve recognition, respect, and understanding.
12. The failure of Government guidance to grasp how the early years sector operates leaves settings in a position whereby, to have enough children attending to be financially viable, they must relax measures to reduce the risk of COVID-19, or in order to prioritise disease containment, they will either have to drastically increase their fees (which is not an option for settings that carry mostly funded children) or further compromise their finances. Many settings cannot anticipate how many children will attend if parents are unwilling to send them, and also face uncertain staffing levels, if employees need to shield or have children that will not yet be back at school. The lack of flexibility in the furlough scheme adds to this, as it does not allow providers to wait and see what demand is before bringing staff back. Many are also worried that in adjusting their practices to comply with guidance, they will no longer suit the needs of parents, who may take their children out or reduce their hours, leading to a significant loss of income.
13. Government guidance [states](#) that: *“providers are expected to ensure that there are no more than 16 children in a group in early years settings”*. This means that many have had to reduce occupancy. Separate guidance [adds](#) that that *“in some cases it may be necessary for settings to introduce a temporary cap on numbers, to ensure that children are kept in small groups, and to avoid mixing of children between groups.”* Following the inadequate financial support offered to the sector through the COVID-19 crisis, these restrictions will completely destroy the financial viability of the sector, which was already severely compromised. This is demonstrated by surveys conducted by the Early Years Alliance, which found that 69% of providers expect to operate at a loss over the next six months, and that 25% of childcare providers think it is likely that they will be permanently closed within the year. Furthermore, guidance also [states](#): *“We will revisit this advice when the science indicates it is safe to invite more children back to schools and colleges.”* The early years sector needs more time to prepare and make challenging adjustments to comply with advice where they can. They also need to be reassured that Government will release timely advice with strong evidence based in consultation with the sector to reassure providers that informed decision making is taking place, where quality education and care are at the heart of policymaking.

The impact on disadvantaged children

14. It is extremely important to note that disadvantaged children will be the most affected by the difficulties the sector has experienced. The Department for Education's [data](#) for up to 15 May shows that just 11% of 0 to 4 year-olds classified as vulnerable have been attending early years settings during the COVID-19 crisis. This means that existing disparities will have been

exacerbated for children who need quality early care and education the most and may not have access to as wide a range of learning resources at homes as some of their peers. As providers have to adapt to the “*new normal*”, the learning of these children will be the most adversely affected. It will not be sufficiently sanitary to do some educational activities such as puzzles, maths games, or dice play, as the equipment involved will be too difficult to clean. Children who have these resources at home and have parents who have the space and time to guide them will be much less affected, but those who were already disadvantaged will suffer more.

15. Outdoor space is crucial when more children return to early years settings. Many children, especially those who are more disadvantaged and less likely to live in homes with gardens, will see their physical development significantly impacted and so active learning and movement will be key. The public has also been advised that transmission rates of the virus are lower outdoors, so such spaces will be a real asset to settings lucky enough to have big gardens. These settings will also find it easier to keep groups of children separate. Settings without these facilities, which are often in areas of high deprivation, will struggle more, find it harder to cater for as many children, and to offer them the active play they will need.

Conclusion and recommendations

16. In summary, the COVID-19 crisis has damaged the trust of the early years sector in Government and hugely aggravated its existing funding crisis. There is an urgent need for recovery funding to sustain providers in the immediate term and for a full, long-term re-evaluation of how the sector is funded to reflect actual cost of operation and ensure its long-term sustainability and resilience.

- 16.1. COVID-19 has highlighted the need for greater understanding by the Department for Education of how settings operate and how they greatly differ from schools, as well as to separate guidance and policy direction to early years providers from that issued to schools. This disconnect has undermined the sector’s efforts to adapt to the crisis, as where guidance and support has been needed, it has often been lacking.

17. Providers have shown a great deal of dedication, bravery, and kindness, whilst putting their own health risks aside, but need more care and attention with regard to what the specific rules are for them and how they should adapt to comply with these. Attempting to adapt settings to rules and recommendations that have not been purpose-built for the sector means that the vital role it plays in caring for children, particularly disadvantaged and vulnerable children, and allowing parents to work, contribute to the economy and care for society during this crisis, is compromised.
18. Childcare and early years settings have been severely stretched in recent years and the sector has long been calling for a meaningful policy review. Moving forward, the resilience of the sector hinges on the Government’s ability to truly grasp how it operates and provide adequate funding to support this.
19. To ensure the resilience of the sector in the future, the following steps must be taken:
 - 19.1 In the short term, there needs to be recognition that childcare will be more expensive than before the crisis, due to the necessary costs of PPE, risk assessments, increased cleaning, and managing smaller groups of children where possible. **The Government should establish a recovery fund for the early years sector so that providers can apply for specific**

grants to cover the cost of making their settings as COVID-secure as possible, which must include a financial cushion for those who are experiencing depressed demand or reduced capacity as a consequence of the crisis.

- 19.2 The base rate of early entitlement funding for three and four-year olds is too low and greater investment is needed to ensure the financial viability of the sector, which faced unsustainable shortfalls and rising costs before the COVID-19 crisis. The last [estimated](#) funding gap for the sector was £824 million, before the pandemic.¹ **There must be a meaningful review of childcare policy, in which funding is recalibrated to reflect actual cost.**
- 19.3 Childcare funding at present is a minefield, which has been highlighted by the complexities for providers accessing the Job Retention Scheme, whereby requirements and entitlement distributions differ greatly across different local authorities. **The intended outcome of this review must be a simplified, centralised system, with the flexibility to reflect regional differences in cost.**
- 19.4 Currently the early entitlement funding does not cover the cost of meals. The COVID-19 crisis has emphasised the need for greater support for disadvantaged and vulnerable children, so **children who will be eligible for free school meals when they start attending school must receive the same support in early education and childcare.**
- 19.5 Early years staff have shown themselves to be true key workers. They must be valued as such. Currently, the sector's challenging finances mean staff cannot be paid at a wage that reflects their true value and contribution. **Funding levels must allow staff to be paid the living wage and incentivise upskilling and gaining qualifications.**
- 19.6 The conflation of schools and early education providers has damaged the sector's trust in Government and resulted in inappropriate and impossible guidance. **The Department for Education must recognise that the early years sector is fundamentally different to schools and treat it as such.**

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¹ Ceeda's last estimate of hourly funding costs, which were calculated in December 2019, before statutory pay increases for 2020-21 were known, was £7.46 per hour for 2-year-olds and £5.54 per hour for 3 and 4-year-olds.