

TRANSFORMATION FUND

Report By: Alison Murphy – Workforce Development Officer

Purpose

To Inform Partnership of the Transformation Fund and the implications for Herefordshire's Childcare Workforce.

Background

The Transformation Fund is new, ringfenced investment by the Government to help deliver its long term commitment to transforming the quality of childcare without compromising affordability for parents. The Government has allocated £250 million to the Transformation Fund to be spent between April 2006 and August 2008 on early years provision. *Choice for Parents, the best start for children: a ten year strategy for child care (December 2004)* made the case for a better qualified early years workforce and the *2004 Pre-Budget Report* announced a Transformation Fund to support practitioners training towards qualifications and accreditation such as the Early Years Foundation Degree, the Early Years Foundation Stage and the new Early Years Professional Status. The Government's plans for workforce development were set out in the response to consultation on the Children's Workforce Strategy: *Building a World-Class Workforce for Children, Young People and Families (2006)*. Funding in 2008-09 and beyond will depend on the outcome of the 2007 Comprehensive Spending Review (CSR07).

The Transformation Fund is being introduced initially as a two year initiative to test out approaches to workforce development in the early years sector and to understand better what works in order to inform future policy development. It will also provide local authorities with a means to implement their local workforce strategies in support of the strategic priorities set out in their Children and Young People's Plan.

The Fund will support the transformation of quality in early years settings by:

- Establishing training routes towards a new graduate-level status of 'Early Years Professional';
- Providing financial support for staff in the early years workforce to undertake training towards Early Years Professional Status;
- Supporting progress towards the Government's objective of ensuring that by 2015 all full day care settings employ a graduate with 'Early Year's Professional' Status to lead work with children and parents. The Fund does this by providing a Recruitment Incentive and a Quality Premium for eligible full daycare providers in the private, voluntary and independent (PVI) sector;

- Moving towards parity between the maintained and PVI sector by boosting the qualifications of early years staff in PVI settings to create a high quality and diverse workforce;
- Investing in training and development to increase the skills and qualifications of staff employed in private, voluntary and independent settings, in particular by increasing the numbers with a Level 3 qualification; and
- Training more staff in the private, voluntary and independent sector to work with children with disabilities and those with SEN.

The rationale and evidence base for the Transformation Fund is set out in Annex A of *Choice for Parents, the best start for children : Ten Year Strategy for Childcare, December 2004*

Most of the Fund will be channelled through local authorities who will contract with settings to ensure that the Fund is spent in the way intended and that all conditions are met. It will be evaluated and monitored carefully in order to build a robust evidence base to inform future policy development. The Fund cannot be used for the maintained sector.

Monitoring and evaluation will be a strong feature of the Transformation Fund from the outset. Basic monitoring data will be collected from local authorities twice yearly. The first returns are due in September 2006 and will inform the allocations and guidance for 2007-08. Detailed guidance on monitoring requirements will follow in April.

Full copies of the Transformation Fund Guidance along with conditions for award of the Recruitment Incentive and Quality Premium, can be found on the Every Child Matters and Sure Start websites. Details about the Early Years Professional Status can also be found on the Children's Workforce Development Council (CWDC) website

www.everychildmatters.org.uk

www.surestart.org.uk

www.cwdcouncil.org.uk

Financial Implications

The allocation for Herefordshire is £187,559. Further clarification is being sought from DfES, Sure Start and Extended Schools Group and it is hoped that the monitoring information due in April 2006 will enable the EYDCP to put systems in place swiftly. Local authorities will be able to use the main revenue block of the General Sure Start Grant to cover costs of administering the Fund.

Contracts will be drawn up with eligible providers to include conditions of grant and monitoring put in place to ensure conditions have been met.

RECOMMENDATION

THAT (a) the Partnership acknowledges the new, ringfenced funding stream to raise the quality of early years provision.

BACKGROUND PAPERS

- What does the Transformation Fund mean for early years childcare providers?
- Conditions of Grant