

## market view



### ALL CHANGE

**Arun Kanwar**, partner at Cairneagle Partners, gives his view on the changing outlook for the nursery market

I am currently having daily conversations about the outlook for the UK nursery market, and the appetite for acquisitions and valuations. What I find most interesting in giving my views is how quickly issues are emerging and sometimes even changing over time, which in turn impacts our outlook.

For example, at the beginning of this year, nobody could have predicted the extent of the staffing crisis or inflationary pressures. Another example is that just a few weeks ago, the forecast for the UK was firmly that we are at the beginning of a difficult recession. However, that may now be averted (at least in the short term) on account of the planned capping of energy bills by the new Prime Minister.

Nevertheless, there are some constants in our view. The first is that interest rates are going up and this will in turn slow down mergers and acquisitions activity and valuations (although the best businesses will hold their value and perhaps be even more sought-after).

The second is that despite this, there will continue to be strong acquisition activity in the childcare space on account of its dynamics and because so many funds and operators are already committed to growth, albeit likely at a slower pace than the heights of 2021 and early 2022. The third is that valuation for buyers is as tricky as ever, as there has been so many years of 'exceptional items' on performance and there is more to come.

On the back of this, we have advised sellers to be prepared for the fact that:

- Valuations in 2023 might be lower than has been the case in the last couple of years.
- Buyers will need to be more disciplined and want to get more comfortable with performance, and as such, sellers need to be prepared to help them with their understanding and due diligence before and during exclusivity. Particular areas of focus will include post-Covid recovery, staffing, navigating through funding shortfalls, pricing, and cost inflation.

## inspection

# New freedoms

The revised EYFS requires less paperwork, but settings must not ditch old systems rashly. By **Pennie Akehurst**



**H**ave you made many changes to your observation, assessment and tracking systems since the implementation of the revised EYFS? And do you have a clear rationale for your decision?

Significant changes were made to the EYFS in 2021 to address three concerns:

1. To ensure that the Early Learning Goals remained fit for purpose and that there was good alignment with Key Stage 1.
2. To improve outcomes at age five, particularly in early language and literacy.
3. To reduce workload such as unnecessary paperwork, so that practitioners could spend more time with their children.

While revisions to the Early Learning Goals have not been without controversy, it is the interpretation of the phrase 'unnecessary paperwork' that continues to be debated on many social media forums.

The EYFS states that 'assessment should not entail prolonged breaks from interaction with children, nor require excessive paperwork. When assessing whether an individual child is at the expected level of development, practitioners should draw on their knowledge of the child and their own expert professional judgement and should not be required to prove this through collection of physical evidence.' (EYFS, 2021)

The above, along with changes to our inspection framework, has given us the confidence to strip observation, assessment and tracking activities back to what is meaningful and useful. However, there are

countless posts across social media platforms where those words do not seem to have factored in decisions to reduce paperwork. Many leaders/managers have shared their decision to 'ditch' their observation, assessment and tracking systems altogether on the basis that they don't have to do this any more or because Ofsted won't be looking at it.

When changes are made at a national level, it is tempting to stop doing whatever we felt we had to do, but there is a possibility that we could be throwing the baby out with the bathwater, if this isn't part of a well-thought-through strategy.

### Knowing your children

If you have made significant changes, it is worth reflecting on the reasons for those decisions, whether you have provided enough support for practitioners to make the transition to your new way of working and whether your approach is likely to cause vulnerabilities during an inspection.

If you are familiar with our work, you will know that we analyse hundreds of Ofsted inspection reports each term to understand how any changes to the inspection framework impact inspection experiences, grades and recommendations, and to identify the things that the sector seems to be struggling with.

Over the past three years we have seen a significant difference in the types of actions and recommendations being made in inspection reports which mirrors Ofsted's change in methodology (introduced in the

education inspection framework (EIF) in 2019). Inspectors now have little interest in paperwork and instead spend far more time observing adult:child interactions and questioning practitioners about the activities and environments they are providing to meet children's needs and how they are continuing to build on children's current interests, knowledge and skills (Ofsted, 2022).

Pre-EIF, inspection recommendations were focused on ensuring that observations and assessments accurately reflected what children know, understand and can do and that our approach helped children to make progress across all areas of learning.

Post-EIF, we can see that inspectors still want to understand what we are doing to ensure that all children are making the progress that they are capable of, but that this information is no longer gained by reviewing tracking or children's learning journeys – it now falls to the key person to be able to talk about their children in depth.

Recurring actions and recommendations made in 'inadequate' and RI inspection reports from May 2021 onward:

- Strengthen staff's understanding of how children learn to help enhanced planning for children's next steps in learning.
- Ensure that each key person tailors learning to children's individual needs.
- Ensure that children's next steps build on what children know, understand and are able to do.
- Shape children's learning experiences/ next steps from their achievements, interests and learning styles.
- Ensure that staff understand how to make accurate assessments.
- Extend the sharing of next steps beyond the immediate key person to ensure that

all staff can support children's learning effectively. (EYF 2022)

### Professional judgement

Given the frequency with which we are seeing the actions and recommendations above, is it possible that we might have stripped too much away? And have we prepared our practitioners well enough to be able to talk knowledgeably about each child's learning, development and progress?

The accuracy of observations and assessments is based on a good understanding of child development, of how children learn (the Characteristics of Effective Teaching and Learning) and an understanding of how to deliver the seven areas of learning, which has been heavily supported by developmental statements/ milestones in the previous EYFS and the old *Development Matters* for well over a decade.

During that time, practitioners have become reliant on using those statements. This has been further compounded by software systems that were used to highlight gaps in learning profiles, and in some cases, those programmes even suggested next steps for children, the combination of which has resulted in a dependency culture in many settings. So, if we suddenly decide to strip our systems and processes back, we are likely to have a number of staff members who can only talk about children's learning and development superficially.

Unfortunately, a consequence of stripping observation and assessment systems to the bare bones is that we're unlikely to have access to information that helps us to understand where practitioners may need additional support. Activities such as sampling observations gave us an insight into

the knowledge of our practitioners and if they truly understood the needs of children.

So, how do we gain this information now? And how have our monitoring activities changed to reflect the way we work?

If we used to have conversations with members of staff about the accuracy or quality of their observations, that problem is likely to be masked by moving to a system which relies heavily on professional judgement if we haven't spent the time supporting practitioners to work this way.

Tracking was also a useful tool, but we have to acknowledge that expectations for tracking got wildly out of hand under the data-driven inspections of the Common Inspection Framework. We tracked anything and everything: children learning English as an additional language, children with emerging, established and complex needs, children in need, children on a child protection plan, selective ethnic groups, children in care, summer-born, part-time, full-time and children in receipt of EYPP or two-year-old funding, etc. It is, therefore, understandable that many settings dropped their tracking activities at the first opportunity. But tracking is still a useful management tool when it is used to gather information that helps us to effectively monitor practice and provision.

We have the freedom to work in a way that makes sense to us, but whatever we choose to do needs to take the different levels of knowledge and skills of our practitioners into consideration, and we need a system that enables us to identify when individual staff need support. ■

*Pennie Akehurst is director of Early Years Fundamentals*

## Early years inspection handbook: the inspector's role

Inspectors must spend as much time as possible gathering evidence about the quality of care, teaching and learning by:

- observing the children at play
- talking to the children and practitioners about the activities provided
- talking to parents to gain their views on the quality of care and education provided
- observing the interactions between practitioners and children
- gauging children's levels of understanding and their engagement in learning
- talking to practitioners about their assessment of what children know and can do and how they are building on it
- observing care routines and how they are used to support children's personal development, including

the setting's approach to toilet training

- evaluating the practitioners' knowledge of the EYFS curriculum.

In group provision, the inspector must track a representative sample of two or more children across the inspection. The inspector should discuss with the provider what they intend the relevant children to learn and remember based on what those children know and can already do. The evidence collected must refer to:

- the practitioner's knowledge of each child
- the progress check for any children aged two
- the impact of any early years pupil premium funding on the children's development
- the quality of support for any children with SEND

- the discussions held with each child's key person and how they decide what to teach
- how well children are developing in the prime and specific areas of learning that help them to be ready for their next stage of education, including school
- the reason why children may not receive their full entitlement to early education and the impact that has on them, particularly those from disadvantaged backgrounds and those with SEND.

→ **The Early Years Inspection Handbook:** <https://bit.ly/3S19GsN>

→ **Check out Nursery World's Guide to Leadership under the EIF:** <https://bit.ly/3LwaHqi>