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## Poor children's future access to early years provision

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Both the current and previous government's early years policies reflect their in principle acceptance of the evidence for the positive impact of early childhood education and care provision on the wellbeing and life chances of young children, notably for those from disadvantaged backgrounds. Recent policy developments, however, appear to ignore the evidence that, on its own, this is unlikely to have an impact, except if part of a broader package of support, including income support.

In 2010 it was a welcome development, even if a surprise to some observers, that the coalition government made an early commitment to the continuation of early childhood education and care policies formulated by its predecessor.<sup>2</sup> In England, the extension from 12.5 to 15 hours of free early education for three- and four-year-olds, to be delivered flexibly during 38 weeks of the year, went ahead as planned in September 2010.<sup>3</sup> Costing an estimated £190 billion in 2011/12, it remains the Department for Education's main financial contribution to children's early childhood provision, according to the National Audit Office.<sup>4</sup>

Since September 2009, all 152 English local authorities had been offering 10 to 15 hours of free early education during term time to the most disadvantaged two-year-olds. The 2010 comprehensive spending review committed to extending the offer of 15 hours to 20 per cent of the most economically disadvantaged two-year-olds, some 130,000 children, by September 2013. Within a year, this announcement was trumped by the Chancellor's November 2011 decision to double the number of targeted children to around 40 per cent of all two-year-olds by 2014/15, involving some 260,000 children. The predicted impact of proposed austerity measures on families with children and findings from a recent Millennium Cohort Study analysis of multiple risk factors among families with one-year-olds, warrant the assumption that most of these children will be economically disadvantaged.

This and other Millennium Cohort Study evidence illustrates how in the UK's poorest one-fifth of households, children's development soon starts to lag behind their better off peers, so that by age five they are nearly a year behind. It complements other studies that have identified how early years

services will struggle to close this gap,<sup>8</sup> particularly in disadvantaged areas where their quality is still markedly poorer.<sup>9</sup>

The national evaluation of the pilot of provision for two-year-olds identifies a critical lesson, namely that positive impacts on children's language and parent-child relationships could be observed, <sup>10</sup> but only where children attended high quality provision. This adds to the body of evidence showing that long-term benefits of early childhood services, especially for disadvantaged children, depend largely on their quality. <sup>11</sup> In this study, only 21 per cent of the pilot settings assessed were rated as 'good' quality, indicating that alongside creating additional places, <sup>12</sup> delivering high quality to achieve the initiative's intended outcomes will pose a significant challenge.

Problems associated with delivering targeted, as opposed to, universal interventions will also have to be addressed, an issue which is clearly recognised within the European Union's latest statement on early childhood education and care. But even where education is universal, concern about low take-up of the free entitlement by the most disadvantaged three-year olds continues. Other factors affect equitable access and should be of equal concern. These include serious regional discrepancies in take-up and the lack of high quality early education provision in areas of high deprivation, the drop in the number of children's centres delivering early years services and the rising number of families in temporary accommodation, notably in London, who may lack access to early years provision.

Finally, the interface between the supply-side funding system for early education and the – rapidly diminishing – demand-side subsidies for childcare remains highly problematic. <sup>19</sup> Among the Organisation for Economic Co-operation and Development (OECD) member states, current UK financing levels for early childhood education and care is higher than average, whether calculated as a percentage of GDP or as *per capita* expenditure. <sup>20</sup> Nonetheless, direct childcare costs for parents are among the highest. This may have its origins in the use of demand-led subsidies within a childcare market in which for-profit providers play a major role. This funding model is relatively unusual, at least in Europe, although childcare markets dominated by for-profit businesses are more prevalent in English speaking countries such as Australia, New Zealand, the USA and Canada. <sup>21</sup>

The importance of equitable early childhood policies is demonstrated in the case of Sweden and Belgian Flanders, where considerable differences in the social distribution of publicly funded childcare co-exist

with identical *per capita* expenditure.<sup>22</sup> OECD evidence indicates that demand-side led funding models may lack price controls and entail double counting, while publicly provided services may have greater redistributive effects among specific population groups vulnerable to poverty.<sup>23</sup>

Like its predecessor, this government is keen for poor children to take up early years provision and improve their life chances. But this analysis suggests that quality, take-up and the funding and delivery models associated with current early education and care policies put equitable access at risk, particularly when child poverty levels are rising. Although the current government has retained, and indeed is expanding, early education provision, it appears to be doing so as a substitute for, rather than alongside, childcare support and a more extensive income support strategy. Fiscal support for childcare costs has been curtailed, while further proposed changes to tax and benefits are limiting families' use of childcare. This in turn may adversely affect the childcare market, which has a major role in delivering both the two- and three-year-old early education entitlement. Reconsidering and reconfiguring policy in these areas is urgent and necessary.

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