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**RESEARCH BRIEF** 

**JULY 2020** 



## COVID-19 and Social Mobility Impact Brief #4: Early Years



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#### **KEY FINDINGS**

### Children and parents

- Early education and childcare plays a vital role in children's early development and family wellbeing. 68% of parents of 2-4 year olds reported accessing formal early education or childcare (preschool/nursery, childminder or school) in the period before March. However, with the start of lockdown this changed radically. Of those who had formal arrangements, just 7% of children continued to attend throughout the lockdown period.
- By June, 83% of this group reported their child had not returned to formal provision, with almost half (49%) reporting their child was unlikely to return to their provider that month. Health reasons dominated, with 29% worried about increasing transmission of the coronavirus, and 19% worried about bringing coronavirus into their own home. 40% reported other reasons, mostly that they were still not able to access a place at their provider.
- Many parents reported a particularly negative impact on their child's social and emotional development and wellbeing, including over half (53%) of those who had been unable to return to their provider. Some providers have indicated impacts on physical development for those from deprived homes in particular. Losing access to high quality early education is likely to have serious effects on all children, but particularly those from disadvantaged backgrounds, widening already existing school readiness gaps.
- Most parents have accessed some form of support during lockdown. 43% said they had viewed television programmes like The Baby Club, whilst 37% reported using online resources like Hungry Little Minds, and 31% parenting mobile phone apps. 28% were receiving online support from their setting, with 12% reporting other types of support, such as phone calls. Middle class parents were more likely than working class parents to have received online support from their provider (31% v 23%).
- 65% of parents at home whose child hadn't returned to their provider by June reported they felt stressed, worried or overwhelmed by their childcare arrangments. Just 14% say they have felt confident during lockdown. Mothers are much more likely to report feeling overwhelmed compared to fathers (30% vs 18%).
- Vulnerable children and those with particular needs, including SEND, and those in families suffering finan-

cial stress during the pandemic, are most likely to be struggling, but many have dropped off the radar without regular attendance at their provider, despite the efforts of many providers to support such children remotely.

#### Providers

- Two thirds (67%) of providers in the PVI (private, voluntary and independent) sector reported being temporarily closed during lockdown, including 79% of pre-schools, 59% of nurseries and 41% of childminders. Settings in more deprived areas were more likely to have remained open; 36% in the most deprived local authorities, compared to 30% in the least deprived. Maintained nursery schools and classes, many of whom supporting disadvantaged communities, stayed open and have played a strong role in creating local support networks.
- 65% of PVI providers expected to reopen on June 1st, with 20% of providers expecting not to and 15% uncertain. Reopening of the sector is likely to be gradual, both in terms of provision and parental confidence to return, with ongoing impacts on children.
- Providers have suffered significant financial pressures, and needed to access a variety of government supports during lockdown, including the furlough scheme and business rates holidays. Providers in the most deprived areas were more than twice as likely to have needed a business rates holiday compared to the least deprived (35% compared to 16%). They were also almost twice as likely to have availed of small business grant funding (18% v 10%). However, just 25% felt that the government had done enough to provide financial support.
- As a result, a third of settings (34%) in the most deprived areas reported they were unlikely to still be operating next year, compared to 24% of those in the least deprived areas.
- 69% of settings anticipated operating at a loss over the next six months, with only 5% anticipating a profit. 42% of settings in the most deprived areas reported that they may need to make redundancies as a consequence, and 31% of settings as a whole.
- Such pressures are coming on top of a sector that was already struggling financially, and with an overstretched and frequently under-qualified workforce. A support package is urgently needed, in particular for providers serving disadvantaged communities who need support the most, in order to protect the early learning prospects of a generation of children.

#### INTRODUCTION

As with most areas of society and human life, the COVID-19 pandemic has posed enormous challenges to the early years sector, which caters for about 2.1 million children under the age of 5 years.1 The economic and public health consequences of the crisis are threatening to deepen existing patterns of vulnerability and under-achievement for young children and families, especially those living in poverty and disadvantage.2 We know that the early years are a crucial stage for social mobility, with the poorest children already 11 months behind their better-off peers before they start school3,4 and that attending highquality early years provision provides a vital opportunity to narrow this gap before children start school.<sup>5,6</sup>

The current self-isolation and social distancing measures have resulted in the closure or restricted opening of a huge tranche of early years provision, meaning the majority of the 2.1 million under-fives are spending more time in their homes which, for some may bring benefits as parents spend more time playing and talking with their children. However, for many others it may be profoundly threatening their health, well-being and development at a crucial time in their lives. The impact of the additional stress, depression and mental health issues caused by the pandemic crisis is likely to be grave, especially in low income households and for disadvantaged families.

With lockdown on 23rd March, early years and childcare was recognised as serving a vital function to the economy and an essential service to enable other keyworkers to continue to work. The government announced that early years settings should remain open where they are needed to provide childcare for the children of critical workers who cannot be cared for safely at home, and vulnerable children.<sup>7</sup> To support the sector during the crisis, the government has offered a range of support, including continued funding from local authorities for the free entitlements for two, three and four-year-olds regardless of whether they were continuing to attend, the Job Retention Scheme for furloughed workers, extending the government's business rate

holiday, the Business Interruption Loan Scheme, and relief for small and medium sized enterprises. It has also enabled childminders to access the Self Employment Income Support Scheme. Local authority maintained nursery school classes in primary schools have continued to receive their budgets for the coming year, regardless of any periods of partial or complete closure. There has also been additional support to help schools meet costs as a result of COVID-19. However, maintained nursery schools, which serve some of the most disadvantaged communities, have not yet had their budget commitments for the remainder of the year confirmed, nor received additional funding to meet costs incurred due to COVID-19.

While this support is welcomed it should be recognised that the early years and childcare sector is a very complex, mixed economy of maintained, private, voluntary and self-employed providers, many operating as small businesses which even before the crisis were struggling in the face of rising costs, an unstable workforce supply and often insufficient government funding.8 This has meant that despite this package of support, since March many early years settings have closed or are partially closed, with only around a third of providers open and working with around a tenth of the children they would usually work with.9 For many providers, this support does not cover their costs, especially in some geographical areas where government funding is lower than their fixed costs or where they offer fewer government funded places, and many fear closure over the next year. 10,11

This report is the fourth in a series of impact briefs released by the Sutton Trust in response to the COVID-19 pandemic, looking at the implications of the current crisis on early years provision, with a focus on young children and families from less advantaged backgrounds. The brief will look at how children, parents and providers have been impacted and explore how government can lessen the impact of the crisis both now and in the in the future to ensure all children and families, no matter their background, can access the benefits

of high quality early education and care services. The evidence for this report comes from three sources: A YouGov survey of the parents of 2-4 years olds; two Early Years Alliance surveys of providers; and a case study of providers in Birmingham.<sup>12</sup>

# IMPACT IN THE HOME Effects on child development

There has been widespread concern expressed about the impact of COVID-19 on young children's development and well-being, with the largest impact likely to fall on children from the poorest families or those with vulnerabilities and particular needs, including those with Special Educational Needs or Disability (SEND). 13,14 Attending an early years setting is highly valuable for all children, leading to positive social and emotional, language, and physical development. The lack of access to provision during lockdown means a further widening of the attainment gap may be occurring and that children's development is being significantly compromised. There is a risk of isolated young children developing issues such as post-traumatic stress disorder, attachment problems or a sense of grief which could have fundamental and long-term effects. Early years settings can be the most stable element in a child's life and there is a heightened risk of safeguarding issues as vulnerable young children are not in regular contact with professional carers and other children at a time of increased financial and emotional stress. Remote contact and learning experiences cannot replace the need for the human contact and interaction which is crucial to healthy development.

Evidence on how parents have perceived the impact of the pandemic on their children provides a mixed picture. Many felt that their child's progress had not been negatively impacted when it came to their language development (43% no impact, 37% positive impact) and physical development (48% no impact, 31% positive). However, there was a marked difference when it came to social and emotional development and wellbeing, with 45% of parents reporting a negative impact, and just 27% no impact.

Negative impacts were most likely for those who had been unable to attend their childcare provider during lockdown, compared to both those who continued to attend (children of keyworkers and vulnerable children) and those who had not utilised childcare or education provision before coronavirus, and continued to be looked after by their primary carer (Figure 1). These differences are particularly acute in terms of physical and social & emotional development.

In many cases children have coped well without access to their setting, however for some children, the impact has been highly negative. Providers in our Birmingham case study expressed some anxiety about the physical development of those children living in high rise flats with limited green spaces. Impacts will become clearer once more children return to their provider, but the longer children are excluded, the greater the risk of adverse effects.

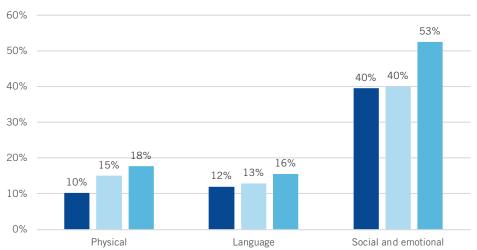
There appears to be a marked difference between those children who have accessed provision and benefited from the smaller cohort experience or have been at home with enhanced quality time spent with their parents, and those who have been home and in more difficult circumstances. The Birmingham case study reveals that those children

I do believe that the key children who attended the setting during lockdown have come on leaps and bounds, they have enjoyed the routines, social interaction and had lots of fun.<sup>20</sup>

who have had a place during the pandemic are felt to have been largely resilient and that some may even have received an educational boost. However, there was great concern about the development and wellbeing of those children who had not been able to access provision and

where contact throughout the lockdown has been minimal, with these children most likely to be the most vulnerable

Figure 1. Parents reporting a negative impact on child development, by provider arrangements during lockdown



Source: YouGov survey of parents of 2-4 year-olds for the Sutton Trust, June 8th-15th

in the system. These vulnerable and stressed children, and their parents, will need a lot of additional support if they are not to suffer long term damage to their development, attainment and wellbeing.

## Childcare arrangements and working status

The early years sector is complex, with parents often accessing a mix of types of provision at different stages in their child's early life. At the beginning of lockdown in March, families with 2-4 year olds had a wide variety of childcare and education arrangements, including nursery and preschool attendance, sometimes

funded, sometimes not, older children going to nursery classes in school, use of childminders/ nannies, and time spent with the primary carer themselves, relatives or

friends. These arrangements differ according to the working status and financial resources of families (Figure 2). 36% of middle-class parents had nursery hours above the funded entitlement of 15 hours, compared to 24% of working-class households. Similarly, they were three times more

I am a keyworker but my husband is home to be able to watch our son. We worry about mental health as well as physical health as things will be very different and unsettling.<sup>20</sup>

likely to use a nanny or childminder (9% v 3%).

Overall, 68% of parents reported using some sort of formal childcare (preschool/nursery, childminder or school) in the period before lockdown. However, at a stroke, this changed substantially. Of those who had formal arrangements, just 7% of children continued to attend throughout lockdown (i.e. vulnerable and keyworker children). An additional 6% returned in May, but as the 1st of June approached, 83% of this group reported their child had not returned to formal provision. Inevitably this has significant impacts, both on children and parents.

However these impacts will not fall equally. Lockdown during the coronavirus crisis has also impacted the work life of families; parents may be working at home, have been

furloughed or lost their job. Many parents now had to take full time responsibilities for home-schooling and care. 45% of parents overall reported working

There are some children who have been at home with both parents who were trying to juggle work with looking after their child and attempting to home school. These children have not had a positive experience, they have had no social interaction with other children, have lost confidence and have been living in a very stress filled environment.

full or part-time at home, though Figure 3 shows this differed by socioeconomic class: 57% of middle-class parents reported this compared to 25% working-class parents. Those in working class jobs were more likely to be working as normal from their workplace (22% v 15%), report being temporarily furloughed or taking unpaid leave (13% compared to 10%), or report having been unemployed or laid off by their employer (14% compared to 6%).

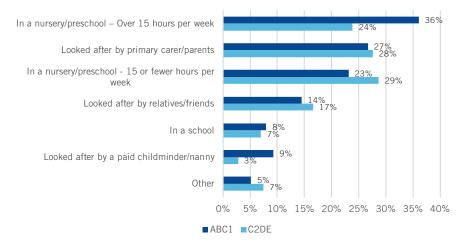
### Support

The Sutton Trust has highlighted the critical role of home learning for all children, <sup>15</sup> but with settings being closed to many children, the quality of this experience has become even more of a key factor in young children's continued development and learning. Many early years providers have been providing support to help parents provide positive home learning experiences. There have also been a range of online and phone apps directly aimed at enhancing home learning which have been made available to parents.

The Birmingham provider survey indicates that as a minimum all types of providers in the city have connected with families by telephone for contact/welfare reasons and many have signposted parents to existing online resources. The next laver of support was engaging parents more actively via social media and sending packs of physical resources or suggestions for weekly activities for the children by email or through online systems. More extensive targeted work with vulnerable children was also carried out by some PVI nurseries and most of the maintained nursery schools, including phone support and safety visits.

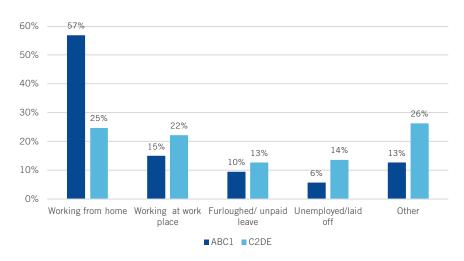
The parent study revealed that while many parents have encountered significant challenges balancing work and childcare in the absence of formal provision, many have been availing of support materials from a variety of sources (Figure 4). Nearly 80% of respondents report using at least one of the educational resources listed. 43% said they had viewed television programmes like The Baby Club, whilst 37% reported using online resources like Hungry Little Minds, with 31% reporting use of

Figure 2. Education and childcare arrangements pre-lockdown, by social class



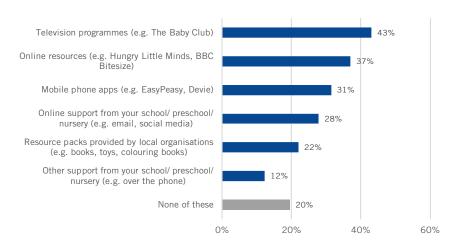
Source: YouGov survey of parents of 2-4 year-olds for the Sutton Trust, June 8th-15th

Figure 3. Working status for the majority of lockdown, by socio-economic class



Source: YouGov survey of parents of 2-4 year-olds for the Sutton Trust, June 8th-15th

Figure 4. Support accessed by parents during lockdown



Source: YouGov survey of parents of 2-4 year-olds for the Sutton Trust, June 8th-15th

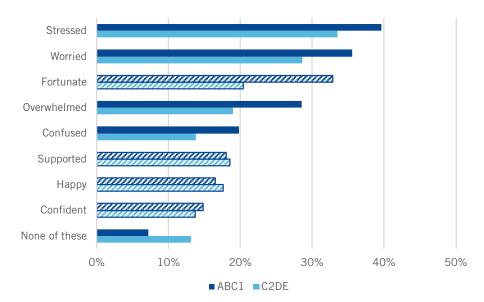
parenting mobile phone apps. 28% were receiving online support from their setting, with 12% reporting other types of support, such as phone calls.

Middle class parents were more likely than working class parents to have received online support from their provider (31% v 23%). While working

class parents were more likely to have received resource packs from local organisations. This reflects similar differences in the support received by parents of older children in school. <sup>16</sup> Parents with higher levels of education were more likely to have used online resources (41% with a degree or above, compared to 30% with GCSE level or below). Those who had been furloughed were in general more likely to have accessed resources than those working from home or in their normal workplace.

In addition to learning support for children, many early years settings have also been offering vital support to vulnerable families and children which goes well beyond a childcare place or support for children's home learning, including the creation and delivery of food parcels, financial support and family counselling. In Birmingham, the city's maintained nursery schools had also conducted doorstep visits where they had concerns over the non-engagement of families with vulnerable children.

Figure 5. Feelings about education and childcare arrangements during lockdown, by social class



Source: YouGov survey of parents of 2-4 year-olds for the Sutton Trust, June 8th-15th

overwhelmed compared to 16% whose highest qualification was GCSE or below, and 43% reported being stressed compared to 29%. Nonetheless, 36% of those with a degree reported feeling fortunate compared to 16% with GCSEs or below.

The increased worry of higher socioeconomic status and more educated parents about social and emotional development, of feelings of stress and being

along with feelings of stress and being overwhelmed may reflect the pressure felt by such parents to maintain the development of their child in the absence of formal childcare support. Though they may also reflect the working circumstances of parents,

with those at home without childcare provision more likely to report feeling overwhelmed, worried or stressed (66%) compared to keyworkers whose provision had continued (43%).

## Needs of parents as we emerge from lockdown

Of those with formal childcare arrangements, almost half of parents reported their child was unlikely to have returned to their provider by the end of June (Figure 6). 7% of children had attended throughout, with 6% returning before June, and 34% returning during June as providers officially reopened for wider groups of children. This means that many children will continue to be home based for some time to come with the consequent loss of learning

Challenges of home-schooling during lockdown

We supported families with access to food bank

vouchers, dropped food off to houses, applied for

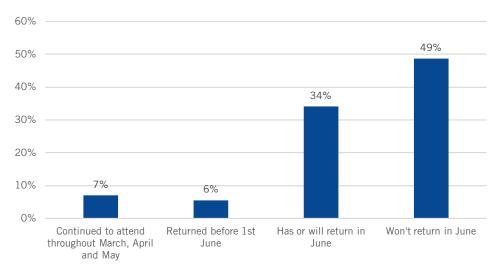
funding and made many home visits to see that

our most vulnerable families were coping.

Lockdown has brought a range of changes to families' usual childcare and education arrangements, and our polling results show a mixture of common feelings around these changes. Whilst 28% say they feel fortunate, 65% in total report feeling stressed, worried or overwhelmed. Only 14% say they feel confident. Female respondents were 10 percentage points and 12 percentage points more likely to report feeling stressed or overwhelmed compared to male respondents respectively (42% vs 32% and 30% vs 18%).

There are also differences in this pattern when considering the respondent's educational background and social class (Figure 5). 31% of respondents with a degree reported feeling

Figure 6. Pattern of attendance at providers during lockdown



Source: YouGov survey of parents of 2-4 year-olds for the Sutton Trust, June 8th-15th

and development experiences and continued pressures on parents as they try and return to work.

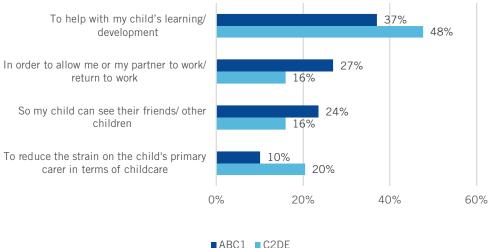
Of parents who had sent their children back to their provider, 40% of these parents reported sending their child back to help with their learning and development, while 24% reported it had been to allow the parent or their partner to return to work. A further 14% said it had been to reduce the strain on the child's primary carer. Figure 7 indicates that those from a working-class background were 11 percentage points more likely to say they were sending their child back for their learning and development (48% compared to 37% of middleclass respondents), with middle class parents more likely to report the return to work as paramount (27% v 16%). The parents of two years olds were much more likely to have done so for work reasons (35% compared to 11% of 4 year olds), with development seen as more important for older children (32% of two year olds, 49% of 4 year olds).

Among parents who reported they were unlikely to send their child back to their provider, health reasons dominated, with 29% worried about increasing transmission of the coronavirus, and 19% worried about bringing coronavirus into their own home. 40% reported other reasons, of which the vast majority comprised

Reassuring families of the plans we had in place to reduce risk is important as most of our cohort are from BAME communities and many of our families continue to be frightened and prefer to stay at home.

of those for whom settings were still closed, or a smaller number who reported the setting had reopened but there was no room for their child due to social distancing measures. Working class parents were more likely to cite fears about transmitting the virus (43% v 22% of middle class), while middle class parents were more likely to cite their provider being closed, or not having enough space. Reassuring parents to give them confidence about the safety of their child and family on returning to provision and reducing their anxieties

Figure 7. Main reason for child returning to provider, by social class



Source: YouGov survey of parents of 2-4 year-olds for the Sutton Trust, June 8th-15th

is clearly an urgent task, especially for those in BAME communities, as the Birmingham case study highlights.

#### IMPACT ON PROVIDERS

The consequences of these patterns of attendance on providers are far reaching, with much anxiety in the system about the impact of the pandemic on the viability of many providers. Worries have been expressed about future sustainability and a fear of a shortfall in early education and childcare provision once current support packages are phased out. Our studies indicate that early years providers have worked hard with local authorities to ensure collectively there are sufficient places

available for target children during the period of lockdown and that vulnerable children have been protected from additional adversity. Settings, daily

programmes and staff teams have had to be radically reconfigured to meet public health requirements for staff and children and also to meet child welfare and learning needs. Settings have also had to adapt to frequent changes in government guidance as the pandemic developed and again as we emerge from the crisis.

# Provision during the lock down and on reopening

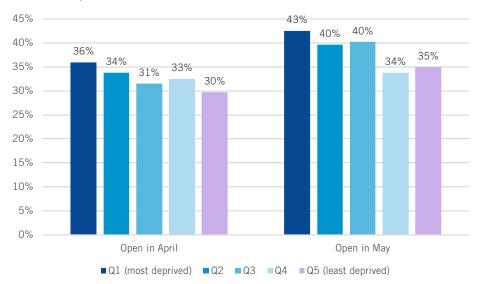
In the first months of lockdown, a significant number of early years

I think that attending the childcare setting under social distancing regulations will potentially be confusing and upsetting for my child.

providers were closed temporarily. Two thirds (67%) of providers reported being temporarily closed when surveyed between the 22nd and 29th of April including 79% of pre-schools, 59% of nurseries and 41% of childminders. 17 Settings in more deprived areas were more likely to have remained open; 36% in the most deprived local authorities, compared to 30% in the least deprived (Figure 8). Maintained nursery schools and classes were also much more likely to have remained open. In more affluent areas there was less demand for keyworker and vulnerable children, while for others it wasn't seen as financially viable. In terms of numbers, Birmingham settings that were open were only able to offer places for between 5-15% of their normal cohort of children. While there was a small increase in openings during May, many remained uncertain about formally opening in June, with 20% of providers expecting not to and 15% not sure. The most common reasons for this were worries about safety for children, staff, and their families.

For those who can, settings have adopted a range of different and sometimes creative approaches to reopening. The barriers to returning to near-normal provision are twofold - limitations on capacity as set out by DfE guidance and complicated by the physical nature of individual sites; and the confidence of parents to send their children in to nursery or to a childminder, as seen in the previous section. Some settings are indicating that due to these limitations they will be switching to become term time only provision and will only be able to offer reduced hours as they open up. Generally it appears that as settings begin to open, despite best intentions, less and different resources and activities will be available to children as part of the daily offer, so the quality of a child's learning experience will likely continue to be compromised, as illuminated by the Birmingham case study.

Figure 8. Settings reporting they were open in April and May, by deprivation levels in local authority



Source: ST analysis of Early Years Alliance Providers Survey: Wave 1 and 2

The children will be in bubbles, with less access to move freely and increased outdoor provision. The resources will be fewer initially, as the team are concerned about cleaning everything at the end of each session.

Current and future sustainability

Financial support for early years providers has changed over the lockdown period, with eligibility changing in April. Before these changes, providers were most likely to have benefitted from the continuation of free entitlement funding (84%),

followed by the job retention scheme (furlough) (59%), and business rates holidays (20%). Providers in the most deprived areas were more likely to have availed of each support package. apart from the self-income support scheme (Figure 9). Providers in the most deprived IMD quintile were more than twice as likely to have taken or planned to take business rates holiday compared to the least deprived quintile (35% compared to 16%).

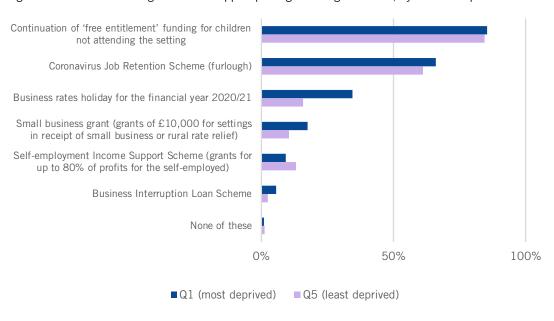
They were also almost twice as likely to have availed of small business grant funding (18% v 10%).

Nurseries were far more likely to have taken a business rates holiday compared to other provider types (44% compared to 9% of pre-schools). They were also more likely to make use of the job retention scheme (80% compared to 55% of pre-schools). Providers identifying themselves as nurseries in general appear to have suffered greater financial distress than pre-schools,

potentially due to greater overheads in terms of facilities, opening hours and staff costs. While settings in disadvantaged areas were more likely to need government support, they were also slightly more likely to feel that the government had not provided enough support (78%, compared to 73% in the least deprived areas).

Many providers reported they needed further support which they couldn't access, in particular after April's clarification by government, despite original advice, that staff could only be furloughed for time not covered by government-funded childcare places. 18 The most deprived

Figure 9. Providers' use of government support packages during lockdown, by level of deprivation



Source: ST analysis of Early Years Alliance Providers Survey: Wave 1

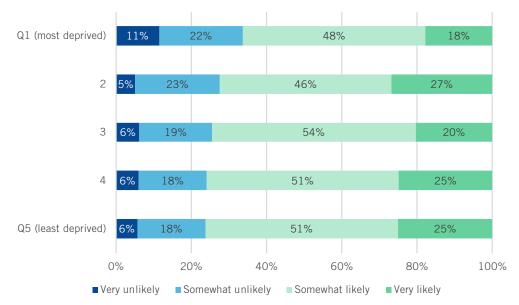
providers were 9 and 10 percentage points more likely to say continuation of free entitlement funding and the Job Retention Scheme respectively would have been helpful, but they had not been able to fully benefit.

As a consequence, in the long term, a quarter of settings reported during lockdown they were unlikely to still be operating next year. Providers in the most deprived areas were 10 percentage points more likely to say that it is 'somewhat or very unlikely' that they will be operating this time next year (34% compared to 24% in the least deprived areas, Figure 10). 69% of those in deprived areas expected to operate at a loss over the next six months and 42% anticipated making redundancies (compared to 29%

in the most affluent areas).

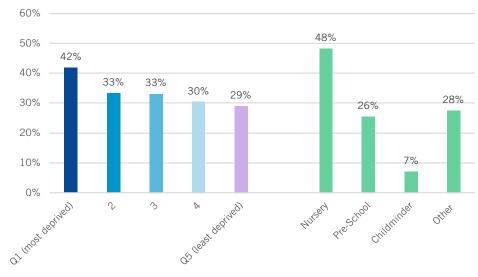
The impact of the pandemic has affected all early years providers, but has not been evenly felt, with those serving the least advantaged communities being most at risk. However, providers across the board are expressing alarm about their current and future financial viability. In Birmingham, for example, all forms of provision are worried about lost revenue through the period of lockdown and uncertainty about numbers going forward which threatens their financial viability. In some cases however, those providers who have continued to receive their income from government funded places and to use the Job Retention Scheme for their staff are in a stronger position than those who are self-employed and cater for younger children. September is regarded by all as the litmus test for longer term sustainability and survival, as this is when they will know how many children are able to return and how many returners and new starters are confident to take places. Providers are clear about the need for ongoing financial support and more secure funding as they plan ahead.

Figure 10. Likelihood of operating this time next year, by deprivation level of local authority



Source: ST analysis of Early Years Alliance Providers Survey: Wave 1

Figure 11. Providers likely to need to make redundancies by deprivation level and provider type



Source: ST analysis of Early Years Alliance Providers Survey: Wave 1

# Potential impacts on the early years workforce

Across sectors, companies have needed to furlough staff in order to survive through the COVID-19 crisis. During lockdown in April, providers in the most deprived IMD quintile were more likely to report furloughing of staff (68% compared to 60% in the least deprived areas), despite being more likely to have stayed open. 86% of nursery respondents also said they had furloughed staff, compared to 54% of pre-schools, and 15% of childminders.

Following changes to the rules on government support early years providers could receive in April,

31% of settings reported that they may need to make redundancies as a consequence (Figure 11). 42% of those in the most deprived areas reported this, compared to 29% in the least deprived areas. Nurseries were more likely to anticipate redundancies (48%) than pre-schools (25%).

The impact of the pandemic on the early years workforce has been enormous. For individuals and providers there are concerns about employment supply, security and also about practitioners' health and wellbeing as they move to wider opening. In Birmingham, providers reflected worries about retaining their workforce while there is such uncertainty about the uptake of places over the next few months, the public health requirements and their ability to ride out the transition back work during lockdown, the sector has received too little public or political attention.

The impact of the crisis has not

been equal, with the most vulnerable and disadvantaged children and families suffering the most, with a prospect of long-term damage to their already restricted social mobility and

I think the biggest thing that staff have worried over is the uncertainty for the future, they are worried that if they do return to work how long will it be for, and will the business be strong enough for them to return.

to some kind of normality. The Birmingham provider survey also revealed high levels of staff anxiety throughout the crisis, which has remained as settings are encouraged to open up to more children. These worries related to personal safety fears and financial concerns. There are also high levels of leadership pressure and workload reported, with frequent reference to the volume of guidance documentation, reconfiguration, and the personal toll of managing staff and parental anxiety. A picture has emerged of a highly stressed and worn down workforce whether they had been open or closed during the lockdown.

The indications are that the pandemic will have long term impact on early years workforce supply, recruitment and retention at a time when there was already a severe shortage of qualified and experienced practitioners and sector leaders.<sup>19</sup>

#### **DISCUSSION**

The early years sector provides a vital function in our society, offering key social, economic and educational benefits to children and families and meeting multiple policy agendas. These include providing the foundation to a child's development and learning, including early intervention for language needs or special needs; supporting parental employment; contributing to family wellbeing; and addressing wider social issues such as equality, inclusion, social mobility and social cohesion. The COVID-19 pandemic has added severe pressure on an already complex and fragile system, impacting children, parents and providers, exacerbating existing vulnerabilities. Despite this, and its crucial role in keeping keyworkers in

life chances. The contribution of high quality early years services in redressing this inequity is well established, yet many providers are not expecting to survive beyond the next 12 months without significant further support. The complexity of the sector also makes the challenge of targeting support at those who most need it hard: be this children, parents or providers. Yet, help is going to be vital if the early years sector is to survive the pandemic and retain sufficient capacity to continue to provide for children and families.

The years from birth to four are critical in shaping children's capacities and future potential.

About three quarters of children have not been attending their early years provision for many weeks, and face

access being restricted and diminished when they do return. For the children who have accessed provision many will have continued to thrive during this period. However, for vulnerable

children, those with particular needs, and those whose parents have been struggling with home learning due to work or challenging home lives, this has been an extremely difficult time and it is reported that the impact on their social and emotional development and mental health at this vital time in their lives has been profound. Many of these have dropped off the radar completely during this period. These children urgently need to be identified and provided with additional care, support and high-quality learning opportunities, including informal and physically active experiences that provide wider cultural and social interactions with other children and adults. The best therapy for a child is often being with another child. It is clear that there are significant worries about the social and emotional health of young children after months of lockdown and isolation. As the economy reopens over the summer, there is potential to support young families by providing access to enrichment activities. This could include making cultural institutions such as museums and other such public facilities free for young families. Some such institutions are already discussing shared spaces with providers in the coming months. There is also a potential to commission struggling institutions such as theatre groups, galleries and museums, music venues, and youth services to offer structured outdoor and indoor activities for children over the summer. Such a national effort to bring children and families together again through culture could prove beneficial to all.

Parents have been required to extend their role and responsibilities over these last weeks with relatively little support and preparation. Again, the impact of the crisis on parents is uneven, with some enjoying the move to home working and the chance to have more family time. But for others who live more precarious lives,

The team have been fantastic but the impact on mental health and wellbeing has been significant. Senior leaders in particular have not had a break since February.

the impact has been profoundly disruptive with many suffering from financial and psychological stresses and even from the virus itself. Cuts to Children's Centres over recent years has removed a vital source of support for both children and families, which could have played a valuable role during this time. There is a need for government to again increase its support to parents and families through the re-invigoration of community-based integrated health, early education, childcare, and family support services, especially in the poorest areas. This could alleviate stress on parents, helping them to balance work and home commitments and helping them deal with the psychological and physical impact

of the pandemic on themselves and their family relationships. Many parents will also need support to regain employment and deal with financial issues resulting from the lockdown period, along with reassurance and support in them and their children getting back to some form of post-pandemic normality.

Because many of these family support services have closed over the last decade, many early years providers have had to step into the breach, going far and beyond their normal daily commitments to ensure children and families, both attending and at home, are well supported. However, this level of effort is difficult to sustain over the longer term, particularly given precarious

finances and a diminishing and poorly remunerated workforce. For providers in disadvantaged areas already suffering financially, the pandemic has been a final straw, without the financial reserves and economies of scale that larger chains in prosperous areas have to fall back on.

The level of uncertainty in the system is extremely high, particularly with the government planning to phase out some support in the coming months, which could have severe consequences. Maintained nursery schools, serving the most vulnerable and poorest children, in particular have little financial certainty beyond March 2021, with an urgent need to provide greater stability.

Investment in the early years sector has the potential to deliver high returns in terms of higher school attainment, reductions in inequality, increased social mobility and enhanced labour market efficiency and capacity. It has proven its value during this crisis but is doing so in hugely challenging circumstances.

An urgent support package, in line with government support for schools, is necessary, with a particular focus on funding for settings serving the most disadvantaged populations. Securing the early development of our youngest children and the financial sustainability of the early years sector is essential as we navigate the country through recovery and into the future.

#### POLICY RECOMMENDATIONS

### Covid-19 recovery

- 1. The government should urgently implement a package of support for the early years sector in line with the support offered to schools and which recognises the importance of the early years on child development and long-term life chances. This would equate to around £88m and could be spent on a mix of targeted and universal support, which could include:
  - Transition funding to support settings through this particularly difficult period where providers are facing the cost of reopening, but unlikely to reach full capacity, and with the imminent tapering of the furlough scheme. The priority should be to ensure that high quality early education continues to be provided, particularly for settings in disadvantaged areas that need it the most. Support should be conditional on being open, and aim to support losses suffered during the crisis outside of providers' control.
  - For at least the next year, the Early Years Pupil Premium should be increased to a per hour rate equivalent to the primary school Pupil Premium, which better captures the additional needs of this group, and challenges for providers in narrowing gaps in school readiness. Barriers for parents and teachers to assessing eligibility and accessing this funding should also be addressed to ensure it is effective.
- 2. Using this extra pupil premium funding, settings, particularly those in deprived areas, should be encouraged to provide more direct support for parents in terms of the home learning environment. While other supports such as mobile apps are helpful, the face-to-face link, existing relationships and trust mean that settings themselves are well placed to support parents who need it, with many settings already increasingly playing this wider role. This is even more crucial while many children may continue to remain at home.

#### Long term issues

- 3. Eligibility for 30 hours childcare should be extended to all those currently eligible for disadvantaged 2 year old provision, which would include those out of work or on very low incomes. As increasing numbers of parents become unemployed or are working on reduced hours or pay, fewer people will be eligible for the current 30 hours of free childcare entitlement, necessary to help people back into work. This could be funded by restricting eligibility for households with high incomes.
- 4. This would also need to be accompanied by a long-term commitment to increased levels of funding for these hours to ensure that delivery is viable for providers and quality of early learning provision is paramount. Taken together, this would provide essential support for parents in getting back to work, tackle the gaps widening in early learning, and expand demand for early years settings currently suffering from perilous finances.
- 5. The workforce is crucial in delivering quality provision. More needs to be done to increase the qualifications of staff, as well as providing career pathways to attract talent. A 'Leadership Quality Fund', which could be accessed by settings in order to attract, hire and adequately pay qualified staff, or train existing staff, is crucial to levelling up provision. This has significant potential in an environment where many graduates are likely to be out of work.
- 6. A reinvigorated **system of community based family support through children's centres** that provide integrated early education, childcare, health and family support services is needed, especially in the poorest areas. Cuts to these services in recent years are having an acute effect during the pandemic, when support for parents has been needed more than ever.

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- 17. Settings could identify as preschools or nurseries in the survey. Pre-schools are often open for less hours per day (for example, only 9am-3pm) and many are only open during term-time, whereas nurseries are typically open from 8am to 6pmfor the majority of the year. A pre-school is also more likely to operate in shared premises like a community hall. However, some settings likely to fall into one type can position themselves differently, so there is likely to be some bleed between the two groups.
- 18. The new guidance published on Friday (17 April) stated, 'An early years provider can access the Coronavirus Job Retention Scheme (CJRS) to cover up to the proportion of its pay bill which could be considered to have been paid for from that provider's private income. This would typically be income received from "parent-paid" hours, and excludes all income from the government's free entitlements (or 'DSG income') for all age groups. This meant that settings which had budgeted for the CJRS suddenly had to cover much more of their staff costs.
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The authors would like to thank Laura Barbour, Early Years Lead at the Sutton Trust, Birmingham City Council, along with Neil Leitch and Shannon Pite from the Early Years Alliance for use of the data.