

# A lost generation

Why social mobility in the early years is set to go backwards

Lucy Powell MP

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## ABOUT THE AUTHOR

Lucy Powell is the Labour and Cooperative MP for Manchester Central. Lucy was the first female Labour MP to represent a Manchester constituency. Lucy was born and brought up in Manchester, where she attended Parris Wood High School and Xaverian Sixth Form College, before going onto study Chemistry at Oxford University and King's College London. Lucy has held various front bench positions including Shadow Minister for Childcare and Early Years, Shadow Minister for the Cabinet Office, and Shadow Secretary of State for Education. Lucy is currently a member of the Education Select Committee.

## FOREWORD

**James Kirkup, Director of the Social Market Foundation**

The Social Market Foundation is a cross-party think-tank dedicated to making markets work fairly. I repeat that here because that is the context for Lucy Powell's paper. Social mobility is about a market: the market for labour. That market is probably the most important one of all, since it, more than any other, determines what we get in life. Poor social mobility is, in effect, a form of market failure because it indicates that participants in the market for labour are not competing equally - their outcomes are determined not by their efforts and talents but by factors over which they have no control. And that is something that I'd argue no-one in politics, whether they're on the Right, on the Left, or in the sensible centre-ground in between, can tolerate.

For the Right, it should offend against the idea of free market competition determining outcomes. For the Left, it should offend against the idea of equality. And for the centrists, it offends for both those reasons and because it shows the system simply isn't working as it should.

So Lucy Powell is addressing a problem that everyone in politics should be committed to resolving, which is just one of the reasons I hope and expect that this paper will be taken seriously by her parliamentary colleagues of all parties, and by people well beyond the confines of the Palace of Westminster.

But it is not just her choice of topic that should give this paper wide appeal and relevance. The way she has approached the subject is something many other politicians could learn from.

Where others conduct their politics as a form of permanent warfare against "enemies" in other parties, Lucy Powell remembers here that solving problems of public policy is always more important than scoring political points. She does not subscribe to the "my party good, your party bad" simplifications that dominate too much political conversation today. She is prepared to give credit to Conservative ministers for what she sees as successes and - almost more important - for good intentions. She concedes that her own party too has made mistakes.

And this attitude allows her to take a fundamentally sensible approach to her subject. Because she can accept that the intentions behind government policy can be good, she can focus on the often-neglected question of how with those policies are being implemented. Her assessment of the 20 hours a week offer for two-year-olds from low income households is a case in point. Instead of arguing over whether the authors of the policy are honourable or wicked, she asks the question that actually concerns voters: is it working?

That pragmatic, sensible approach, I'd suggest, makes her reasoned criticisms all the more powerful. It also makes hers an example politicians of all parties should follow.

## INTRODUCTION

Social mobility – and the lack thereof for the many – is the defining issue of our time, creating a divided Britain, which is bad for our economy, society and future.

Whether it's intergenerational inequality and the lack of opportunity for today's young people to progress, as the recent election brought to the fore; or the huge disparity in regional inequality and many communities left behind, which we saw expressed in the Brexit vote; or the growing divide between rich and poor, and stubborn wealth inequality – our country's failings on social mobility are the national challenge.

Those failings start in the earliest years of a child's life and for too many children, the circumstances of birth can never be overcome.

Actions by successive governments to tackle social mobility have been painfully slow, with a lack of focus and bold joined up thinking costing us dear. While some policies and programmes have helped progress, others have not and the overall picture of social mobility remains largely stuck.

To be truly transformational, social mobility should be at the heart of all government policies, decisions and actions because it's only through a prolonged, determined and comprehensive government-wide strategy, alongside society and business, that we may actually start changing entrenched inequalities for the many.

Every Budget, every Bill, every policy should be judged against tackling these inequalities and boosting social mobility for everyone, everywhere, with a single cross-departmental plan to deliver it. Driven from the centre, empowering Departments and local communities and politicians at all levels, a truly transformational plan for social mobility would mean looking at difficult issues like inheritance tax through to transport spending and social care, alongside taking a real hard look at our education policies and institutions at all life stages to see if they are delivering for social mobility.

As the Sutton Trust has recently argued, boosting social mobility would be good for individuals, and good for the economy too. A modest increase in the UK's social mobility, to the average level across western Europe, could be associated with a boost of £39 billion to the UK economy, an increase in annual GDP of around 2%<sup>1</sup>.

## THE EARLY YEARS

We can't afford *not* to tackle social mobility. This is important at every life stage, but by far the most crucial in the early years, the vital foundation upon which successful lives are built.

Let's just look at the stark facts which show the yawning gap between disadvantaged children and their peers:

- The biggest indicator in how well a child does at GCSE is the progress that child has made by the age of five<sup>2</sup>. The gap between the most disadvantaged children and their peers is equivalent to 2 years of learning by the time they sit their GCSEs.<sup>3</sup>
- By the time children start school, the gap between disadvantaged children and their peers can be as large as 15 months<sup>4</sup>.
- Just 52% of children from disadvantaged backgrounds reach the expected level of development by the age of 5<sup>5</sup>
- Recent data shows that communication and language gaps are already very evident by the age of two<sup>6</sup>.
- While researchers have shown that children from more affluent backgrounds hear 30 million more words than their poorer peers by the age of three<sup>7</sup>.

As the government's own Social Mobility Commission, alongside many others, has long argued, conception to age 5 is the real crux area if we want to make real progress on the attainment and opportunity gaps throughout life yet it gets virtually no attention. While there has been significant extra resource in the early years over the last twenty years, the focus on outcomes and child development has recently been all but lost. Indeed, new analysis for this pamphlet shows in stark terms how this agenda has shifted under the current government.

Of the extra £9.1 billion being spent on the early years over this Parliament, just £250 million, or 2.7%, will reach the most disadvantaged families. This is a truly shocking finding. What's equally shocking is that only around a quarter of this new money will reach the bottom half of families by income. If we are to truly get ahead of the curve on social mobility and break the cycle, then new funding must target disadvantage and make a difference at the key points that will help families lift themselves out of poverty and when any developmental problem is identified. Rather than becoming a bung for middle class parents who have had their child benefit taken away, additional early education investment should target those it will make the biggest difference for.

In other areas, too, such as family support services, policy focus has gone backwards with the long-awaited *Life Chances* strategy disappearing altogether.

Given that in 2012 the OECD found that the UK languished at the bottom of the table, coming 22<sup>nd</sup> out of 25<sup>8</sup>, for the proportion of expenditure in the early years focused on narrowing the gap, these new findings should send a major warning to the government that the UK is likely to stoop even lower once revised. If the proposed expenditure continues unchecked, we risk creating a lost generation of children who fall further behind their better off peers with little hope of ever catching up.

However, it is not just about additional funds, we need public service reform too if we are to bear down on educational inequality and shape the system to boost social mobility. There are big questions about how effective our childcare and early education system is, with quality measures for providers, not seeming to equate with good outcomes for children. Whilst it is right to congratulate all types of providers who have improved their practice and Ofsted ratings in the last 20 years, we should also question why 29% of children are failing to reach a good level of development, and why this rises to half of low income children.

## WHY INVEST IN EARLY EDUCATION AND CARE

The starting point has to be clarity about policy objectives. There are two key reasons for investing in the early years. There is an economic reason and a social imperative. The affordability, availability and flexibility of childcare can boost economic productivity and maternal employment by enabling women, because it still is mainly women, to go back to work after having children or to work more hours or to maintain a higher paid career. The second, and equally important reason is to boost child development and tackle disadvantage.

There is a wealth of evidence to show that early education and care for young children can help boost development and lead to benefits in later life. Crucially, high quality early education can help to close the developmental gap that exists pre-school between the most disadvantaged young people and their peers<sup>9</sup>. The OECD<sup>10</sup> has underlined this recently showing that every child benefits from high-quality early education and care, with evidence from PISA 2015 revealing that in almost all OECD countries, 15-year-olds who had access to early education outperformed students who had not. They also show that disadvantaged children benefit the most from early education and care arguing that targeting this group would generate the highest returns.

This is backed up by research in the UK from the longitudinal Study of Early Education and Development, which analyses UK early education and care policies and outcomes. An evaluation of the disadvantaged two year old offer, published recently, Study of Early Education and Development (SEED): Impact Study on Early Education Use and Child Outcomes up to Age Three<sup>11</sup>, has found that early cognitive and socio-economic developmental benefits are associated with the use of early education and care between the ages of two and three with these benefits seen regardless of family disadvantage and regardless of the quality of the home learning environment.

There is clear evidence that investment in the early years can reap dividends, particularly for low income children. However, there are currently challenges in policy which mean that although there has been some progress over the last 20 years, there is still more to do and we are in danger of going backwards.

The myriad of schemes that exist in the early years: funded places for the 40% most disadvantaged two year olds; universal 15 hours early education for 3 and 4 year olds; childcare tax credit which is soon to be the childcare element of universal credit; Employer Supported Childcare Vouchers; so-called Tax Free Childcare; the extra 15 hours for 3 and 4 year olds with parents in work, not to mention Sure Start, the children's centre roll out, or the expansion of health visitors. Each of these schemes is administered in a different way, eligible to different groups and a result of different policy imperatives or political choices. It's no wonder that parents are confused by the options they have open to them.

This dichotomy at the heart of childcare and early education policy, between the economic and social mobility arguments for early years spending, means that taxpayers' money is being poorly spent and in some cases wasted.

Early education and care is a good economic and social investment. However, the £6 billion that the government will spend by the end of this Parliament on early education and childcare is not adequately focused on giving taxpayers the best bang for their buck.

The arms race on childcare at the last general election means that the quality of childcare, and the social mobility imperative for investment in the early years, is in danger of being overlooked.

**Ministers should put tackling developmental and education inequalities back at the heart of government with clear policy objectives. This should sit at the heart of a cross-government Social Mobility Strategy, with every Budget, every bill, every policy tested against it to meet a radical shift in outcomes. We need to shift the argument with parents too so that there is public support for early education for the most in need. Our ambition must be to ensure every child has the best foundations for later learning.**

## HOME LEARNING MATTERS

Any policy programme to improve outcomes for children and analysis of what the challenges in our current system are, must start with parents and work in partnership with them.

As well as what happens in formal settings and the services families receive what happens at home is vitally important. How children are supported to grow and develop by their parents is of paramount importance, yet very little is done to support parents who might be unsure of how to get the best for their children. Whilst more affluent parents might enroll in an NCT class, support for parents who cannot afford this option is piecemeal<sup>12</sup>.

Research in the United States has shown that more affluent children hear 30 million more words by the age of 3 than poorer children<sup>13</sup>. Whilst all parents can be time-pressured in the current economy evidence shows that lower income families have less time to spend with their children due to the volatile labour market. Balancing zero-hours contracts, short hours, shift parenting and more than one job all mean some low income parents are time poor and unable to spend as much time at home as they would like. Family policy, and wider government policy, relating to family income, welfare and benefits, and family friendly working initiatives, must be fit for purpose if every policy is to pass the social mobility test, and give lower income and time-poor parents, whatever their incomes, the chance to spend time with their children.

However, technology can also have an impact on home learning. There is increasing anecdotal evidence, particularly from early years professionals that language and communication skills are being impacted by the increasing use of IPADs and other tablets as digital babysitters across the socio-economic spectrum. Whereas before parents may have talked to their children on car journeys, in restaurants, walking through the park in a pushchair or at home, increasingly children have a tablet in front of them. Whilst technology can be a great leveller and give disadvantaged children access to the same experiences as

other children, as well as helping parents interact with their children if they play on an educational app together, more work needs to be done to assess the impact technology is having on the development of language and communication skills.

That's why it is important that initiatives such as the two year old offer, and the universal early education offer for 3 and 4 year olds also engage and support all parents who ask for support to interact and build a positive home learning environment.

Policies in the early years must be parent-proof and parent-positive, giving mums, dads, and grandparents helping with care, the tools to help support good physical, emotional and language development at home. Practice around development checks in the early years, often focus on physical interactions between parents and children, and what children can physically do themselves. It is important too that we think about the socio-emotional development of children, how they interact with their parents or other children and whether they can concentrate, play on their own and understand task-based activities if we're to ensure that children are confident and ready to learn.

## ISSUES HARMING SOCIAL MOBILITY IN THE EARLY YEARS

**New funding is not focused on where it will make the most difference: of the extra £9bn being spent on the early years over the next five years, just £250million will reach the most disadvantaged.**

As can be seen from Table 1, showing the total new expenditure on early years and childcare policies between 2017-2022, the government's focus over the next five years has been driven by a collection of retail, political offers to parents:

- tax-free childcare which provides 20% pay-back of childcare costs up to £10,000 per year per child for parents not in receipt of other support such as Universal Credit. Almost by definition the main beneficiaries of this policy are better off families and those with the highest childcare costs (usually even better off families).

- The extension of “free hours” of childcare for 3 and 4 year olds of working parents only from 15 hours per week to 30 hours per week for 38 weeks of the year. Both parents need to be in work for at least 16 hours a week earning the national minimum wage. A report for the Resolution Foundation showed the distributional impact of this policy. Due to eligibility and take-up, it skews significantly towards better off families with just a quarter (23%) of the investment going to the bottom half of families by income.
- The uplift of the childcare component of Universal Credit to 85% of costs was announced following concern that the above policies would disproportionately benefit better off families. However, as is shown by Table 1 it costs less than either of the above policies. Moreover, because of ongoing delays to the roll out of UC in actual fact the amount reaching qualifying families will be significantly lower than these figures show (although we have assumed the larger figure).
- Finally, small increases to Early Years Pupil Premium will come into effect over this Parliament. This is the only spend that the most disadvantaged (parents not in work) children qualify for.

	2017-18	2018-19	2019-20	2020-21	2021-22	Total for period (this Parliament)
Tax Free Childcare cost £(bn) <sup>14</sup>	0.6	0.8	0.9	0.9	1	4.2
Extra 15 hr free childcare for 3&4 year olds with working parents (£bn) ... <sup>15</sup>	0.415	0.68	0.7	0.715	0.71	3.22
... Of which will go to lower income families (bottom half of income distribution) (£bn) <sup>16</sup>	0.104	0.170	0.175	0.179	0.178	0.806
UC Cost (£bn) <sup>17</sup>	0.185	0.285	0.32	0.29	0.3	1.38
Early Years Pupil Premium (EYPP) <sup>18</sup>	0.05	0.05	0.05	0.05	0.05	0.250
Total on new childcare policies	1.25	1.815	1.97	1.955	2.06	9.050
Proportion spent on the most disadvantaged children with parents who are out of work (EYPP only)	4	2.75	2.5	2.5	2.43	2.8
Total amount which will benefit lower income families (bottom half) (£bn)	0.339	0.505	0.545	0.519	0.528	2.436
Proportion spent on low income families inc those in work	27%	28%	28%	26%	26%	27%

Published figures alongside Figure 5 of the Resolution Foundation report *Under New Management* show the distributional impact of tax and benefit measures announced in the last Parliament. The table below shows that only approximately a quarter (23%) of the average gain by decile of the extension to 30 hours free childcare for working parents with 3 and 4 year olds goes to families in the lower half of the income distribution. The table below shows the amount per decile, and we have used this to work out the proportion of the additional 30 hour investment being gained by families across the income distribution.

We have not included gains for tax free childcare in this estimate, because families on universal credit cannot access this scheme, and there are very few families in the top half of the income distribution who access universal credit based on additional Resolution Foundation analysis.

Decile	Average annual gain (£)
1	1
2	7
3	10
4	15
5	18
6	24
7	33
8	48
9	42
10	25

As I have said above, whilst additional investment in the early years is always welcome, it is shocking that of the additional funding being invested in the early years, so much is going to retail offers, rather than investment that will help transform the life chances of children. I will discuss in more detail, the problems with the 30 hour offer and the flaws in the early years funding formula which underpin its delivery and the waste of tax free childcare later in this report. However, when analysing the many challenges facing our early years system, it is important to remember where current policy focus is from Ministers, and question why substantial new resources are being spent in the way they are when this government professes to care about social mobility and tackling the burning injustices<sup>19</sup> in our society.

I will now turn to some of the wider challenges in our early years system, which mean that the current investment in early years could be better focused to drive social mobility improvements through public service reform and better targeting of resources.

## OUR EARLY YEARS SYSTEM ISN'T LEADING TO A GOOD DEVELOPMENT FOR ALL CHILDREN

**91% of childcare settings are rated good or outstanding yet 3 in 10 children do not reach a good level of development with half of poorer children not ready for school.<sup>20</sup>**

There is a disconnect between the standards and quality of early education and care measured by Ofsted, and the gains in child development in the early years measured by the Early Years Foundation Stage (EYFS), a tool to help schools assess children as they start school.

The early learning goals developed as part of the EYFS check how children are developing over a range of measures from communication and language, such as listening, understanding and speaking, physical development, personal social and emotional development, including self-confidence and awareness, managing feelings and behaviour and making relationships, alongside literacy, mathematics, understanding the world and designing and making.

Whilst 91% of childcare providers are rated good or outstanding, 3 in 10 children start reception class without reaching a good level of development. Ofsted judgements are not good enough measurements, in and of themselves, of whether early years settings are delivering a good level of development.

Analysis by the Social Mobility Commission shows that, in the last decade, more than 2.5 million children in England - including over 580,000 poorer children, did not reach the government's definition of a good level of development by the age of 5<sup>21</sup>. By the time students receive their GCSE results, around 32% of the variation in performance can be predicted based on indicators observed at, or before, the age of 5<sup>22</sup>.

Alongside this, the development gap in the early years between low income children and their peers, which is currently 17 points<sup>23</sup>, is stubborn and stagnant, barely changing over recent years. This gap is in danger of going backwards on current policy trajectory, with little or no new investment in measures that will boost social mobility.

Ofsted shows that the quality of early years settings varies by type. There has been marked improvements in Ofsted ratings across the board. 95% of private and voluntary nurseries and pre-schools are good or outstanding compared with 89% of childminders. In the maintained sector, 100% of maintained nursery schools are good or outstanding, with 61% outstanding, whilst Ofsted estimates that 94% of nursery classes in primary schools are high quality<sup>24</sup>.

Under this government Ofsted is the sole arbiter of quality in the early years, with the local authority role stripped back, however, there are concerns from the Family and Childcare Trust<sup>25</sup> and others that Ofsted do not tell the whole story when inspecting early years settings, their inspections are narrowly defined and do not focus enough on what a setting is doing to improve child development or close the developmental gap.

This is not a criticism of hardworking early years providers, particularly PVI settings and childminders, who can be of lower quality and less likely to be graduate led. They are clearly working hard to improve provision and give the children they serve a good start. However, without a clearer more robust assessment of how we want the early years system to tackle disadvantage and improve development across all settings, the gains made by providers will not be worth more than the sum of their parts whilst children still fail to meet the early learning goals and reach a good level of development.

1 in 5 childcare places are in early years settings that are low quality, although there is welcome evidence in Ofsted's most recent annual report that provision in the most deprived areas is closing the gap with the proportion of good and outstanding nurseries and preschools almost identical in the least deprived areas compared with the most deprived<sup>26</sup>.

However, the development gap is particularly stark when measured against income. Just 54% of children on free school meals reach a good level of development compared with 69% of their better off peers. 52% of children on free school meals achieve at least the expected standards in all early learning goals, compared with 67% of all other pupils<sup>27</sup>. Cognitive, social and emotional outcomes all vary dramatically based on parent's socioeconomic group.

For the children that lag behind their peers, the most common areas where development is weaker include: communication, language and listening skills, personal development and behaviour. The gaps between disadvantaged children and their peers are particularly wide in literacy and numeracy with a 14 point gap in reading, 15 in writing and 13 in numbers. There is also a 9 point gap in the three communication and language measures. The narrowest gap, and one where the potential could be used to facilitate the narrowing of gaps in other areas, if used properly, is in technology<sup>28</sup>.

Closing the development gap in the early years, and ensuring that all children regardless of birth or background achieve a good level of development is vital if we are to champion social mobility.

Children in the poorest areas are less likely to achieve a good level of development. The proportion of children who reach a good level of development in the 30% most deprived areas is lower than for those who live in the richest 30% of areas measured by IDACI.

For children with a disability the figures are terrible. Just 4% of children with a statement of special educational needs reach a good level of development and the gap between SEN children and their peers is over 50 points<sup>29</sup>.

Analysis of Written Parliamentary Questions I submitted to the Department for Education shows that nearly 150,000 children are in the lowest 21.5% attaining group nationally<sup>30</sup>. The highest proportion of these children are in London, closely followed by the North West and West Midlands. There are more children with the lowest level of development in the poorest areas compared with the richest<sup>31</sup>.

The national picture of child development is stark then. Our early years system is failing to level the playing field so that a child's development does not depend on the social class or income group into which they are born. The measures we use to ascertain the quality of early years care are not sufficiently robust to close the gap in the early years given the difference in outcomes for children pre-school and the quality of the provision children are in pre-school.

Steps must be taken to ensure both the measures used to assess development and pre-school aptitudes and the way in which Ofsted measures quality are robust and targeted at closing the gap whilst supporting good development for all.

At present there is not enough accountability in the system to ensure value for money in terms of achieving good outcomes for children.

## THE GEOGRAPHY OF THE DEVELOPMENT GAP

Alongside this national picture, analysis also shows that there is a postcode lottery in the outcomes children reach. Whilst there are encouraging signs of progress in child development across many areas, there are pockets where the gap is stagnant with very little movement. A lack of national and local focus on educational inequality in the early years means that where you grow up can have a big impact on how likely you are to succeed in later life.

House of Commons analysis of EYFS data for the last two years shows that the vast majority of local authority areas increased the numbers of children in their areas achieving at least the expected level of development across all early learning goals. 75 local authorities saw an increase above the average change across England of 3.2%. 3 local authorities scored the same as the English national average whilst 69 improved but did so below the national average. In 5 local authorities the scores worsened with fewer children achieving at least the expected level of development across all early learning goals.

However, worryingly the gap in development between children eligible for free school meals and their peers has grown in 44 local authorities in the last two years. Since 2015 the gap has increased in 58 local authorities, stayed the same in 16 and narrowed in 76.

As the Joseph Rowntree Foundation has shown<sup>32</sup>, 4 in ten of the local authorities with the worst overall performance for free school meal children pre-school are in areas with the lowest levels of child poverty, showing the lack of focus on tackling disadvantage in affluent areas including Windsor and Maidenhead, Bath and North East Somerset and Rutland. The areas with the widest development gap are overwhelmingly the richer parts of the country. 7 of the top 10 areas with the widest gap are in the least deprived parts of the country. In contrast 4 out of 10 of the areas with the narrowest attainment gap are in the most deprived areas. Hackney, which is one of the most deprived boroughs in the country has no development gap<sup>33</sup>.

## SILOSATION IS DAMAGING JOINED UP WORKING

Whilst numbers of children failing to reach a good level of development are spread around the country it is clear from further evidence and analysis that disadvantaged children are losing out on the best early education and care, and services that support families and children in many places.

Support for families and children in the critical 1001 days from conception should be at the vanguard of any policy programme to boost development and outcomes for children and families.

The siloisation of support, split nationally between the Department of Health, the Department for Education and the Department for Communities and Local Government and locally between health and local authority leaders and services means that there is no joined up, strategic overview and driving force behind support services from conception through to school.

The Coalition government's expansion of the health visitor programme, whilst a positive development in the last Parliament, is not fully delivering. As the Social Mobility Commission has shown, 1 in 5 children have not received the 12 month review by 15 months and 1 in 4 children do not receive a 2 to 2 ½ year olds check<sup>34</sup>. The Commission highlights particular concerns about London where less than half of children have had a 12 month review or 2 to 2 ½ year review.

Data sharing is often an issue of concern with health agencies particularly resistant to sharing information that can assist local areas in joining up work and targeting families who may need help and outreach.

In Ofsted's 2016 report on how local authorities and early years providers offer integrated help to support disadvantaged families, *Unknown children - destined for disadvantage?* Ofsted found that many local authorities and health professionals were not clear on who is accountable for narrowing the gap in development<sup>35</sup>. Not all local areas had shared strategies for improving the health and education outcomes of these children.

## SURE START: FAILURE TO LIVE UP TO ITS PROMISE

Over the last 20 years support for families and investment in early education and care has been transformed. Sure Start, family support for families with multiple problems and free early education and the massive expansion of childcare places mean that the early years landscape is much-changed.

Labour's time in office saw a real focus on childcare and the early years with great leaps forward. The 10 year childcare strategy embedded support for children and parents at the heart of government policy.

However, with hindsight we can see that not everything worked. A reliance on the market to provide new childcare places means that today we have a very fragmented childcare market with problems of cost, variable quality and accessibility, particularly for low income families and in deprived areas.

The initial Sure Start local programmes made a real impact in joining up integrated care but whilst the roll out of children's centres so there is was one in every community was delivered successfully, the speed and scale of change meant that the original core purpose of Sure Start was diluted and the quality of impact and outcomes reduced. Full integration was successful in some areas but we did not do enough to truly embed integrated care and bring health and early years professionals together. A silo approach exists in too many places which means families are often confused about the help they can get and where they need to go for it.

Wider economic and public policy changes threaten the foundation of support for families with children. Measures to tackle the deficit have seen austerity devolved to local authorities with cuts to the level of provision for families in many areas.

Family support services, through children's centres, have been pared back as children's centre budgets have fallen. As the Institute for Fiscal Studies has shown, Sure Start funding has fallen by more than 30% since 2010-11<sup>36</sup>.

Government data underestimates the impact this reduction in funding has had on children's centre numbers.

Detailed analysis of the changes in the number of designated children's centres by the Labour Party, whilst contested by government, shows a stark picture. In response to Freedom of Information requests, local authorities reported that there are now over 1,240 fewer designated Sure Start children's centres than 2010, a fall of around a third<sup>37</sup>. Whilst some centres may have merged as services have been reconfigured as a result of central government budget cuts, undoubtedly the hollowing out of children's centres means that many early intervention support and outreach services are not as effective as they once were. In a government funded, national evaluation of Sure Start in 2013/14 three-quarters of children's centre managers said that service delivery had been affected already by cuts<sup>38</sup>. In 2015 in response to a survey by the charity 4Children, 60% of children's centre managers reported that they were cutting back on services<sup>39</sup>.

## ACCESS TO HIGH QUALITY CHILDCARE

Our broken childcare market means that the availability and quality of childcare and early education is not uniform across the country. Different settings come under different regulations with no overarching strategic vision for what quality looks like.

Analysis from Ofsted, the Social Mobility Commission and a wealth of other organisations shows the disparity between more advantaged children and their peers when it comes to the quality of the childcare they access, and whether settings are being led by high quality professionals.

Whilst there has been an overall increase in the quality of early education and care as judged by Ofsted there is still a gap in provision between the most and least deprived areas in the proportion of high quality provision. There is an 11 point gap in the number of childminders judged to be good or outstanding in the most versus the least deprived areas and a 9 point gap in the quality of primary school provision<sup>40</sup>.

The Social Mobility Commission, in their latest State of the Nation report, shows that there is less good and outstanding provision accessible to families in the 30% most deprived areas. There is also a higher proportion of low quality care. One fifth of settings in the most deprived decile are inadequate or requires improvement compared with 14% in the middle decile and 11% in the most advantaged<sup>41</sup>. Overall the number of low quality settings falls by one-third from the most deprived to least deprived areas. Alongside this, access to the most qualified staff is also more unlikely in deprived areas outside of maintained provision.

A Nuffield Trust study analysing early years providers between 2007 and 2013 found that whilst school based provision in the early years serving deprived children was of the same or better quality than those serving more advantaged populations, PVI settings located in deprived areas were clearly falling behind with the gap most pronounced where PVI settings were not graduate-led<sup>42</sup>.

A discussion paper by Sally Morgan and Jodie Reed for the Education Policy Institute points out that there is a big difference between working and workless households taking up the free provision based on IPSOS Mori research for the Department for Education. 78% of free-entitlement eligible children between 2 and 4 living in workless households report accessing the free provision compared with 95% of families where both parents work<sup>43</sup>. More must be done to encourage and support low income families to access the free provision they are entitled to so their children can reap the benefits.

Worryingly a substantial amount of the early years universal free entitlement and the funding for disadvantaged 2 year-olds is spent on low quality provision judged Requires Improvement or Inadequate by Ofsted. This is because there are no quality conditions attached to the funding.

Analysis by the House of Commons library estimates that government spends between £175 and £225 million on childcare and early education provision in England for 3 and 4 year olds which is not good quality as well as an additional £15 to £25 million on poor quality provision for disadvantaged two year olds. This is unacceptable. Based on the amount of funding the IFS has identified was spent in 2015-16 on funded places spending on low quality places equates to 10% of total funding<sup>44</sup>.

There is no level playing field. Settings in deprived areas tend to be of poorer quality, and analysis of the disadvantaged two year old offer also shows that many children eligible for this provision are still not accessing it. Access to teacher-led provision, particularly in the private sector is poor and disadvantaged children may lose out.

## THE TWO YEAR OLD OFFER: NOT FULFILLING ITS POTENTIAL

The introduction of the 15 hours free provision for the 40% most disadvantaged two year olds is a welcome innovation.

The national evaluation of the two year old offer, the Study of Early Education and Development<sup>45</sup> which was recently published, found a significant positive effect of early education at age two on language and socio-emotional development when children were assessed at age three. This is good news, and underlines the importance of this policy to boost development. The benefits of early education and care were found regardless of the level of disadvantage. Both childminder settings, and group based settings had a positive effect on development, and the report shows that even children from richer backgrounds stand to benefit from early years education and care at two.

Given the positive impact of this policy, the last to truly have social mobility at its heart, it is therefore worrying that so many children still miss out on the scheme. There is a danger under the current government that too many two year olds will continue to miss out as Ministers focus on the delivery of the 30 hour offer for working parents with 3 and 4 year olds.

Analysis also underlines that 2 year olds in the programme may not achieve the full benefits in some areas because of a problem accessing quality places with graduate leaders.

The latest two year old take up statistics from government show that 29%<sup>46</sup> of eligible two year olds are still not accessing the scheme, with over 66,000 children missing out<sup>47</sup>. New analysis of the statistics when measured against deprivation rankings shows that children in more deprived areas are more likely to miss out on a place than their disadvantaged peers in more affluent areas. Twice as many two year olds in the poorest areas are missing out, with 29,867 two year olds in these areas missing out compared with 15,451 in more affluent areas<sup>48</sup>.

Evidence shows that 2 year olds in good and outstanding places - including nurseries, school nursery classes, and childminders - see real benefits in terms of their early language skills, and physical, social and emotional development. However, low quality childcare can have the reverse effect, leading to no developmental benefits for these children. Government must ensure that two year olds are not in low performing provision to maximise the impact of this scheme.

Data also shows that less than half of disadvantaged 2 year olds have direct access to early years staff with qualified teacher status, early years teacher status or early years professional qualifications. In some areas this figure is even lower. Just one in five two year olds accessing a funded place in the PVI sector in Rochdale are supported directly by a qualified early years professional whilst in Hull this figure is 14% and just 8% in Westminster<sup>49</sup>.

It is clear that if the government truly wants to reap the dividends of this policy it must place extra focus on widening the reach of the scheme to get more eligible 2 year olds in high quality graduate-led settings. With the vast majority of 2 year olds in PVI provision this means thinking about how we can get more collaboration in the system to ensure they are in a high quality place or have access to graduate professionals.

### CHILDCARE AND EARLY EDUCATION FOR 3 AND 4 YEAR OLDS: THE 30 HOUR PROBLEM

Whilst the arms race in childcare pledges at the last election is a welcome sign of this issue rising up the political agenda, this too has come with problems, particularly for those of us championing the social mobility argument for early education investment with genuine high quality childcare which can narrow the development gap.

The current focus on 30 hours childcare for working parents with 3 and 4 year olds will do virtually nothing to narrow the gap and indeed could damage the quality and social mobility gains that we have made in the last 20 years as there is a levelling down of funding that risks existing high-quality provision.

What's more, there are concerns that the 30 hour expansion could damage the early education and care as it stands, pushing up the price for parents, and reducing quality. There is increasing evidence that the policy will fail on its own terms of boosting maternal employment or productivity levels because of the way the scheme is designed. Recent reports suggest there will be very little gains in maternal employment activity for recipients<sup>50</sup>. In and of itself it is no bad thing to ease the financial burden of childcare costs for middle income families but policy makers have to be honest that this is their aim rather than trying to assert that this policy is about boosting our economy.

As currently designed, the 30 hour offer for working parents (above a certain income level) policy will not achieve either of the reasons why we invest in childcare. If Ministers wanted to raise productivity the scheme should be open to families on the margins of the labour market – women looking to return to work, access training and support – who are ineligible for the scheme rather than being a dead-weight cost for parents already using and paying for this amount of childcare. Decisions about returning to work and careers are often already made by the time children are three, so in any case, for real productivity gains we should look at transition points between maternity leave ending and three where most families get no extra support.

Without a strategic vision of where the government wants to end up on childcare and early education policy no initiative is worth more than the sum of its parts.

The 30 hour offer is actually in danger of damaging existing provision and quality because there is no joined up approach or understanding of its impact on the different types of provision.

As the Education Policy Institute has warned<sup>2351</sup> the 30 hour offer could widen the gap between disadvantaged children and their peers. Not only do higher income parents benefit more from the government's childcare changes overall, the EPI warns that the policy will have considerable deadweight costs as additional hours replace formal and informal childcare funded by parents which will not boost maternal employment.

Additionally the extension will place a strain on quality and access for lower income children as evidence from the pilot areas suggests competition for limited places means providers including school nurseries and maintained nursery schools will prioritise access for children eligible for the 30 hours by dropping children getting only 15 hours or the 2 year olds getting the 15 hour provision. This is particularly concerning given the evidence showing the developmental benefits of high quality provision for more disadvantaged children.

## DEMAND SIDE SUBSIDY: THE WASTE OF TAX FREE CHILDCARE

Alongside the issues with the expansion of the 30 hour offer, the other flagship childcare policy announced by the government is the so-called Tax Free childcare subsidy. This is a demand-side subsidy for childcare costs replacing Employer Supported Childcare Vouchers introduced by the last Labour government to support middle income parents with childcare costs.

Ostensibly tax free childcare is to support parents back into work, and to make childcare more affordable. Notwithstanding the danger of demand-side childcare subsidies in pushing up the price of childcare, making it more, not less affordable, there is little evidence that this new scheme will boost employment and productivity<sup>52</sup>.

The scheme is open to parents who must earn between £120 per week, equal to 16 hours at the National Minimum or Living Wage and up to those earning £100,000 each. There is no evidence that such a high threshold will act as a work incentive for high earners. As the Family and Childcare Trust warned during the Childcare Payments Bill, the scheme is not targeted to help those families who most need help with childcare costs.

As a result, this policy is in danger of also failing the government's objectives because of the design, acting as a further bung to more affluent parents rather than helping to drive quality in the childcare market.

## FUNDING FORMULA CHANGES: THE THREAT TO HIGH QUALITY PROVISION

Whilst in principle a national funding formula for the early years is welcome, in practice there are major concerns of levelling down of funding rather than a levelling up which would boost quality.

Whilst PVI settings are set to benefit most from any increase in the hourly rate for funded hours maintained settings will see a fall in funding. Even then, there is widespread concern that the level of funding is not enough for PVIs to deliver funded early education and care.

The new funding formula will particularly threaten the future viability of maintained nursery schools, the jewels in the social mobility crown, and nursery classes in maintained settings. To be fair to Ministers, they recognise this following extensive lobbying efforts, and as a result the DfE has allocated an extra £55 million per year to 2020 to allow local authorities to fund maintained nursery schools at the current rate. This is welcome given that my analysis of the new funding allocations shows that 4 in 10 maintained nursery schools are in areas which will see a reduction in government funding for the early years entitlements. Whilst the extra money government has allocated to nursery schools highlights their importance as system leaders, a question mark about the future viability of these settings remains.

There is no such extra funding for nursery classes in primary schools which will see a fall in funding despite higher costs for staff. This is very concerning particularly given the role school nurseries play in raising quality in deprived areas as shown in the Nuffield and EPPE studies.

Analysis I have conducted points to a wider problem when looking at who the losers are under the new formula and where the highest numbers of children with the lowest levels of development are. A quarter of the top 20 local authorities with the largest proportion and numbers of children who are in the lowest attaining 21.5% of children at early years foundation stage will lose money as a result of the early years funding formula changes, placing further pressure on providers in these areas<sup>53</sup>.

### A LACK OF AMBITION FOR BOOSTING THE EARLY YEARS WORKFORCE

The early years workforce plays a vital role in nurturing and supporting families in the early years. Yet the last five years has seen no real focus on how to improve the workforce. The Nutbrown Review was largely parked at the beginning of the last Parliament and as the Family and Childcare Trust show, a number of the recommendations in that report have been ignored<sup>54</sup>. Therefore, the Workforce Strategy published recently by Ministers is a welcome move.

Responses to Written Parliamentary Questions show that less than half (43%) of funded 2 year olds in PVI provision are in settings with a graduate working directly with these children. The figure stands at 48% for 3 and 4 year olds<sup>55</sup>.

Save the Children research has shown that children who attend settings with an Early Years Teacher or equivalent are almost 10% more likely to reach a good level of development<sup>56</sup>.

Save the Children highlight that more than 250,000 3 and 4 year olds accessed free childcare through a PVI setting without an early years teacher or equivalent present and working directly with children. Only two in five PVI settings have an Early Years Teacher or equivalent in place and working directly with children.

As Ofsted has shown, disadvantaged children need to spend more time interacting with adults than their more advantaged counterparts to help boost their development. Some outstanding settings Ofsted visited had funded two year olds spending all of their time with adults working alongside them and supporting their early learning<sup>57</sup>. As evidenced by the Nuffield Foundation<sup>58</sup>, more disadvantaged children benefit the most from a more qualified workforce because they are better equipped to cater successfully for children at greater risk of language and behavioural problems.

Ofsted data shows that higher staff qualifications mean better quality of provision for all children but their data suggests that the effects of staff skills are most marked in areas of the highest deprivation. In these areas, provision led by a member of staff qualified to at least Early Years Professional level, and with a high proportion of staff qualified to at least level 3 are more likely to be good or outstanding<sup>59</sup>. Evidence from the Family and Childcare Trust also suggests that staff in better quality settings are likely to be paid more than Requires Improvement or Inadequate settings<sup>60</sup>.

Early years professionals have a valuable role to play in boosting social mobility in the early years. The government must not squander their role. Improving access to the workforce, increasing skill levels and qualifications and boosting the number of graduates who enter the profession must be at the heart of any strategy to improve developmental outcomes for children.

Whilst we have come a long way in early education and care and services for families the future is looking bleak. A political focus on hours over quality and a lack of strategy for what early education and care is for, threatens to reduce quality, with some of the most disadvantaged children at risk of losing out under the changes.

There are multiple challenges facing our early years support and education system which need to be addressed if we are to improve social mobility in the early years.

## AN ACHIEVABLE COSTED PLAN TO BOOST SOCIAL MOBILITY IN THE EARLY YEARS

Whilst there is no silver bullet to boost social mobility – we need a strategic plan across the life-cycle as the Social Mobility Commission has recently argued<sup>61</sup> – it is clear from the evidence that concerted, joined up, sustained action and focus from pregnancy through to primary school has untapped potential to improve outcomes and tackle disadvantage. Yet analysis of the current situation, and policy environment, shows that more work is necessary to truly realise this prize.

**We need a bigger bolder vision to boost social mobility because without it, all the piecemeal programmes government invests in will not achieve their aims and objectives or be more than the sum of their parts. Our starting point should aim to deliver universal high quality teacher-led early education from baby to school, with every child being seen, assessed and supported at least eight times from birth to school to identify problems and tackle them before disadvantage takes root. We need to shift the argument with parents too so that there is public support for early education for the most in need. Our ambition must be to ensure every child has the best foundations for later learning.**

## THE STRATEGIC SOCIAL MOBILITY STATE

To achieve this ambition we need a strategic plan to boost social mobility in the early years. Government should develop a 10-year Social Mobility Strategy. A cross-departmental Cabinet Committee on Social Mobility should be established to drive delivery and co-ordination across government, headed by the Prime Minister and backed up by a Social Mobility Taskforce with Ministers from across government including the Department for Education, Department of Health, Department for Communities and Local Government, the Treasury, the Department for Work and Pensions, DCMS and the Department for Business, Energy and Industrial Strategy.

The Secretary of State for Education should become the Secretary of State for Education and Social Mobility charged with coordinating cross-government policy with an objective of championing early intervention and ensuring that all children reach a good level of development and are ready to learn and that the development gap between disadvantaged children and their peers is eliminated by the end of the Parliament.

Every Bill, every Budget, every policy announcement, should be analysed about how it will contribute to advancing social mobility and narrowing the inequality gap.

## A LIFE-CYCLE APPROACH IN THE EARLY YEARS TO TACKLING SOCIAL MOBILITY

Concerted action needs to be taken to narrow the gap in the early years to reap dividends in later life. Whilst some of the policy solutions to tackle disadvantage are well known it is important that we have an honest appraisal of what works. It is also important that we gather more evidence of effective interventions in areas where little analysis has so far taken place, such as programmes to help boost the home learning environment. Alongside this it is important to recognise that closing the gap will cost money. We do not want support for families and childcare and early education to be cheap. We want it to be of the highest possible quality to level the playing field and ensure that no child loses out because of the circumstances of birth or where they live. With the high cost of low social mobility to our economy and society it is a false economy to not boost investment and concerted action in this area.

We need a life-cycle approach to narrowing the gap, starting in pregnancy and continuing through to children starting school. Government should be doing much more to ensure state intervention drives quality services, eliminates disadvantage and improves outcomes for all. This could start with enhancing the institutions with the best outcomes such as Maintained Nursery Schools, ensuring system leadership can flourish across early education and care and family services and ensure that what we measure and assess from the Early Years Foundation Stage, to Ofsted is fit for purpose to close the development gap whilst boosting development for all, to achieve our policy goal.

With a nod to Graham Allen, a passionate early intervention campaigner I would also stress that the earliest intervention we can make to tackle disadvantage is to equip children with the knowledge and skills to seek healthy relationships and the resilience and skills to manage difficult situations. As such it is welcome news that Ministers have recently agreed to make sex and relationships education, and by extension, PSHE, compulsory in all state schools. This is a vital step to strengthen the prevention regime.

## FAMILY FIRST: SUPPORT THROUGH PREGNANCY AND THE FIRST 1001 CRITICAL DAYS

Supporting parents in the “critical 1001 days” from conception to two needs a much more coherent strategy, bringing together health, early years, early intervention programmes, children’s centres and maternity services.

Strengthening the support in pregnancy and in ante-natal services that families receive is important to ensure a healthy birth and give parents and children the best opportunity to form a stable and loving attachment.

Joining up health and children’s services from 0 to 2 is important if local areas are to have the strategic knowledge and data to target resources and support any family which is struggling.

## BEST START GUARANTEE: INTEGRATED EARLY HELP AND EARLY EDUCATION AND CARE

All parents, regardless of background or geography should be given in law, a Best Start guarantee of equal access to support services through pregnancy to primary school.

A new universal Best Start programme should be developed - based on the Greater Manchester Early Years Delivery Model<sup>62</sup> of at least eight visits between pregnancy and a child starting school - to support attachment and parents early relationships with their children, and between themselves, to identify early any problems and sign post families to specialist services. This fully joined up programme is already showing what can be done to improve outcomes when data is integrated across health and care and interventions are targeted on need. This would be complimented with open access to children’s centres, and universal high quality early education provision.

The Early Years Delivery Model (EYDM), is a Greater Manchester wide initiative, aimed at reducing demand and dependency across early years services by improving child health, development, parenting skills and aspirations alongside increasing school readiness across the ten local authorities making up the Greater Manchester conurbation. As the Early Intervention Foundation reports<sup>63</sup> in their case study of the Greater Manchester EYDM, in 2012, 40% of children in Greater Manchester were ‘not school ready’, which equated to 16,000 children not being ready for school.

The aim of the programme is to boost the number of children who are ready for school by improving outcomes for all children in their early years whilst closing the gap in EYFS results between all children and the bottom 20%.

The EYDM has been developed to reform public services and improve universal early years services to focus on early intervention and assessment, sign-posting for higher need services by better using existing resources like Sure Start centres, alongside health services, health visitors and midwives, to support children and their families to be school ready.

As the EIF explains, there are eight key elements of the model:

- A shared outcomes framework of population indicators and individual child measures.
- A whole family, eight stage common assessment pathway (from pre-birth to the last term before the child's 5th birthday.)
- Evidence based assessment tools to identify families reaching threshold for interventions.
- Evidence based interventions – interventions with the strongest evidence base to improve school readiness have been identified. Service specifications which detail the standards across GM are being developed.
- Better use of day care – a specification is being developed to guide providers in helping drive parent engagement in education, employment, training and volunteering.
- A new workforce approach enabling frontline professionals to work in a more integrated way.
- Better data systems to allow professionals access to the relevant data. Long term evaluation to ensure families' needs continue to be addressed.

Evaluation of the programme so far shows that the model has had a significant impact on children's: school readiness at 5; overall education attainment; and future economic potential, resilience and independence.

However, the Manchester data so far is showing key gaps in communication and language at age 2. With 1 in 3 of the most disadvantaged two year olds still missing out on 15 free funded hours of early education and care, and eligible children from the poorest areas more likely not to be in the scheme, the 2 year old offer should become a priority for Ministers with a particular focus on ensuring hard to reach children access the service and parents are given the right support to boost home learning. The 2 year old offer should be augmented with family support services guaranteed for any family that needs it to support home learning and development.

## STATE SUPPORT: EARLY HELP SERVICES

For the earliest years pre-nursery, we should target areas with the highest number of children not reaching a good level of development and where the attainment gap is widest. A new generation of 750 revitalised and reinvigorated fully integrated children's centres should be established or renewed in these communities to support parents and children and coordinate early education and health service interventions to support healthy development and ensure children have strong foundations for learning in later life.

These centres would build on existing children's centres, incorporating them into the Best Start programme and allocating funding where necessary to ensure reinvigorated integrated services. Existing and reinvigorated children's centres would support the effectiveness of the universal Best Start guarantee. Given the massive capital investment in children's centres under the Labour government, particularly in the poorest areas which have seen the biggest cuts to local authority budgets, renewal is vital. All centres should have a mix of open access and targeted services, and always include early education and care.

The Pupil Premium should be pooled in a local area and given to a new generation of "Early Years Local Leaders" whose responsibility it is to work across the local community to raise quality and boost outcomes pre-school. These "Leaders" could be Maintained Nursery Schools, a new generation of Early Years Multi-Academy Trusts, Children Centres, primary schools with early years specialisms or other outstanding PVI providers or childminders.

They would be appointed jointly by the local authority and Clinical Commissioning Group to ensure that budgets are fully aligned and all local services are working to boost early years outcomes, target disadvantage and narrow the gap. If necessary a new strengthened legal Duty to Cooperate and share data to enable action to tackle inequality and disadvantage would be placed on all local services including PVI provision, health, education and other services, to bring people together and develop a fully integrated approach and strategy in a local area.

Initial £200 million capital funding for centres where they have already been closed or to expand provision and integrate services would be provided through switching the money government has allocated to expand grammar schools to the early years. Priority areas for these new or resuscitated centres would be in the areas with the highest concentration of children not reaching a good level of development. For affluent areas with a wide development gap, funds should be made available for the expansion of provision that has the best impact on tackling disadvantage, maintained nursery schools with integrated children's centres. Investment should be prioritised on what can actually boost social mobility.

As part of the integration of early support, the 2 year old check would become fully integrated, with health and early education professionals jointly carrying out this work as the Social Mobility Commission has argued.

### STATE SUPPORT: EARLY EDUCATION AND CARE

The state invests £6 billion in childcare and early education yet as the evidence shows, this is poorly targeted when it comes to tackling disadvantage and boosting social mobility. State funding should not be spent on low quality provision, particularly if this is simply going to private profit.

As I have said above, government also needs to improve outreach and numbers attending the funded 2 year old offer for the most disadvantaged 2 year olds so that a higher proportion of these children access the scheme and ensure that the settings that children access are better quality with children being cared for by graduate-led professionals working with colleagues directly with these children.

The government needs to develop a strategy to narrow the development gap. At its heart should be a re-evaluation of how Ofsted measures quality in the early years given the disconnect between grades of provision and outcomes for children, particularly the most disadvantaged.

## A REFORMED, COLLABORATIVE QUALITY IMPROVEMENT SYSTEM

Early years Ofsted services should be devolved to local areas to work more closely with Local Authority Early Years teams to jointly drive quality improvement and a focus on narrowing the development gap. With local authority teams decimated by austerity measures, this would require additional investment but would allow local solutions to local problems. Devolved areas should be given more powers and responsibilities over the early years so that local areas can tackle the root causes of poor development and school-readiness. A more robust Ofsted Early Years framework should be developed taking a place-based approach to driving quality. All early years providers in an area, as well as the local authority, should be measured on how they are working together to boost development for all whilst narrowing the gap between poorer children and their peers. No setting should be judged good or outstanding without being able to show evidence of how they are working across the area to drive improvements and boost child development.

Funding mechanisms should be reformed so that the State is not funding poor quality provision. Measures should be taken to ensure poor performing settings are encouraged or compelled to work with excellent providers in their area to boost practice.

Maintained nursery schools, the majority of which are outstanding or good, have a wider role to play in the early years and schools system. They are currently unable to act as school system leaders due to constraints on their ability to expand, open new schools or support poorer quality provision. Heads and teachers in Maintained Nursery Schools have a bigger part to play in embedding pedagogy at the heart of the education system, from primary through to secondary, given the vital importance of teachers knowing how children learn, even from the earliest years. They should also take on an improved system-leadership role around improving quality interactions between staff, parents and children, but also in assisting maintained nursery classes, PVI settings and childminders to improve practice when supporting the most disadvantaged children, including looked after children, children with SEND and complex needs. Maintained Nursery Schools should be able to academize and set up Multi Academy Trusts if they choose to expand their excellence across the system. Their funding should also be guaranteed so that they can focus on their new role.

Low quality settings should be required to enter into a quality improvement partnership with the local authority and outstanding provision in their area. If they refuse to do so, funding for funded places should be withdrawn. In the case that this means settings cease to be viable, local authorities should be given the powers to federate this provision with a high quality partner so that they are effectively taken over. I have said previously that changing structures may not always drive system improvements but the constraints placed on maintained nursery schools, the calls from within the sector for this freedom and the threat to their sustainability means that academisation is a way within the current system for them to spread excellent practice and boost social mobility.

Place-based solutions to tackling the development gap should also be more fully explored. At the moment, there is almost an inbuilt bias in the system for schools to receive children with poor development so that they can show how much they have improved their results to show government that they are a well-performing school.

There should be more collaboration in the system. A new Quality Improvement Fund should be established, alongside the doubling of the early years pupil premium as supported by the Social Mobility Commission, so that extra resource can be coordinated and placed in the hands of 'Early Years Local Leaders' to ensure joint working and collaboration at a local level and foster partnership working between local PVI providers, childminders and school settings.

## A GUARANTEED HIGH QUALITY PLACE AND TEACHER TIME FOR ALL CHILDREN

All children should be guaranteed a good quality early years place alongside guaranteed time with a fully qualified early years teacher for at least part of their 15 hours universal early education entitlement. Maintained nursery schools and nursery classes in schools should work in collaboration with Private, Voluntary and Independent providers and childminders to share best practice and time in a setting with a teacher.

New and appropriate incentives should encourage this to happen. At the moment progress measures in primary schools almost discourage schools from working with other local pre-school providers to ensure children are ready to learn. Schools have a critical role to play in ensuring all the children in their community are school-ready.

This Teacher Time Guarantee would help boost development and support better practices across settings, whilst enabling early years practitioners and staff to network and collaborate to boost development, particularly amongst the most disadvantaged. The end goal would be for all settings to have early years teachers but as this ambition will take time - particularly given the problems recruiting EYTs - so as a step towards universal teacher led early years services for every child, and so that children accessing high quality care through a childminder don't miss out on these extra interactions, guaranteed teacher time for all children would mean that no-one would miss out now, particularly those from the most disadvantaged backgrounds.

This would also boost practice in all settings by enabling shared learning and improved practice where necessary. In the first instance, this guarantee should be targeted at settings with high numbers of two year olds which are not high quality to help improve practice and ensure the Two Year Old offer does not fail its objectives.

Workforce reform is vital to achieving a teacher-led, graduate and professionalized universal high quality early education and care system.

We have seen a welcome trajectory on graduates leading the profession yet this has stalled in some areas, particularly in less affluent areas. The government's recent workforce strategy should be the foundation for raising the bar with the improvement of children's outcomes at its heart. It is disappointing then that there is no extra resource in the strategy.

Government should ensure pathways for high quality existing staff to train on the job to become Early Years Teachers. However, the fact that Early Years Teachers are not able to achieve Qualified Teacher Status is damaging recruitment and the esteem of the profession. As part of wider reforms the government should adopt the proposals of the Nutbrown Review with a credible plan to ensure all Early Years Teachers can gain QTS within a reformed early years 0-7 teaching qualification. Early Years Teachers should be given the same pay and status as their peers working in primary and secondary schools.

This will require investment and a broader look at teacher training but the ambition, already stated should be that all centre-based settings are led by graduates with QTS and that all children regardless of settings have access to a qualified teacher. The early years are crucial for a good start and our EYTs and practitioners working in childcare settings should not be short-changed.

## WHERE THE MONEY COMES FROM

Funding a radical boost in quality measures should not come on the cheap. Some of the measures outlined in this paper do not require new funding, just a realisation from Ministers that they should be more ambitious in thinking about the “quality” in high quality childcare and using the levers they have. With a clear plan of where they want to go, Ministers can use conditions on existing funding to shape the market to better boost quality.

However, given the reduction in funding, particularly for family support services and cuts in children’s centre budgets, new money will need to be identified to support the best start for all children.

In order to facilitate this radical plan to boost social mobility in the early years and put quality at the heart of childcare provision, funding of around £2 billion per year by the end of this Parliament has been identified. Some of this is a switch spend from existing demand-side childcare subsidy alongside a reversal of tax changes which benefit the wealthiest families.

## A DOWN-PAYMENT ON A BETTER FUTURE FOR ALL CHILDREN

This package of measures would be part-funded by better spending the current funding going into the early years and by switching spend from other parts of the education budget. Alongside this, as Rachel Reeves MP<sup>64</sup> and Liz Kendall MP have argued, the inheritance tax cut proposed by government should be reversed and the funding allocated to boosting social mobility in the early years. House of Commons analysis estimates this would raise £1 billion per year. This would be invested in the universal Best Start programme, supporting all existing and new families with children pre-school.

Tax free childcare should be scrapped. As Policy Exchange highlighted in their report, *Centre’s of Excellence? The Role of Children’s Centre’s in Early Intervention*<sup>65</sup> the spending on this policy is questionable in straightened times and this funding could be better spent to increase free hours for disadvantaged children so that they are also eligible for the 30 hours.

Part of this funding would establish the Quality Improvement Fund alongside helping to increase the number of early years teachers and increasing the early years pupil premium. An initial focus of this should be to ensure all disadvantaged two year olds have access to a fully qualified teacher. Save the Children estimates that this would cost £65 million.

As we move to a universal graduate led workforce with higher qualified staff throughout, the Marriage Tax Break implemented by the last government could be switched to benefit all children rather than the State making a judgement on what constitutes a relationship worthy of a tax-break.

### CAPITAL INVESTMENT IN A NEW, BETTER START FOR ALL CHILDREN

Now that the expansion of grammar schools is off the table, the £200 million announced by government to expand grammar schools in the Autumn Statement, alongside a portion of the funding announced for new selective free schools should be allocated to the Best Start programme, re-opening and revitalising 750 new children's centres across England in the areas most in need.

This funding should be focused on expanding the highest quality integrated early years support and education services, Maintained Nursery Schools, into areas with the widest development gaps and areas with stubborn pockets of poor performing settings. Maintained nursery schools have been in steady decline for too long. This should be reversed.

### CONCLUSION: A 10 YEAR SOCIAL MOBILITY PLAN

Ministers are in danger of squandering the chance to truly boost social mobility by focusing on investing and reforming services in the early years. Indeed the current policy focus of bribes to better off parents is in danger of leading to the creation of a lost generation, as low income children miss out on the extra support that could make a real difference for them as well.

The government needs to be brave and bold to tackle disadvantage in the early years. Too much emphasis is currently on delivering the 30 hours childcare policy, and the roll out of tax free childcare, which will do very little - if anything - for social mobility.

Ministers must grasp the nettle and come up with a new, broad-based social mobility strategy, with the early years at its heart.

The initiatives above will only work if they are brought together as part of a wider, sustained strategy, encompassing the themes and stages of a child's life, tackling disadvantage at every turn and setting the energy, enthusiasm, and will of the State, and voluntary and private sector, towards delivering them.

Closing the development gap, and ensuring parents can be the best they can be, are worthy causes in and of themselves, but with these at the vanguard of a new strategy to deliver social mobility across the country, the public can reap the benefits and we can close the social mobility gap and heal the divide in this country.

## KEY RECCOMENDATIONS

- A cross-government Social Mobility Strategy, with a strong focus on the early years, with every Budget, every Bill, and every government policy assessed to ensure it boost social mobility and closes the inequality gaps in Britain.
- A new 10 year Childcare Strategy which aims for universal free early education from age one to five of high quality, teacher led early education and care and excellent family support services from conception to school.
- A shift in public discourse which makes the case for early education and intervention for disadvantaged and low income families, not just as a subsidy for work.
- A new Best Start Guarantee and 750 fully-integrated children's centres in areas of most need, reinvigorating the Sure Start core mission;
- Scrapping the tax-free childcare scheme in favour of more progressive childcare support such as more universal "free hours" of childcare.
- A guaranteed high quality early education place and a Teacher Time Guarantee for all children accessing the 2, 3 and 4 year old early education offer no matter what type of setting they attend
- A relentless focus on increasing quality with a doubling of pupil premium funding to better support the most disadvantaged with one-on-one teacher support, and reform of Ofsted Early Years inspections, and the EYFS, to make them more robust and to better focus teacher-led assessment and inspections on measures to close the development gap.

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