

DEPARTMENT OF SOCIAL POLICY AND INTERVENTION



# Early Childhood Education Policy Proposal

## Social Policy Analysis Workshop

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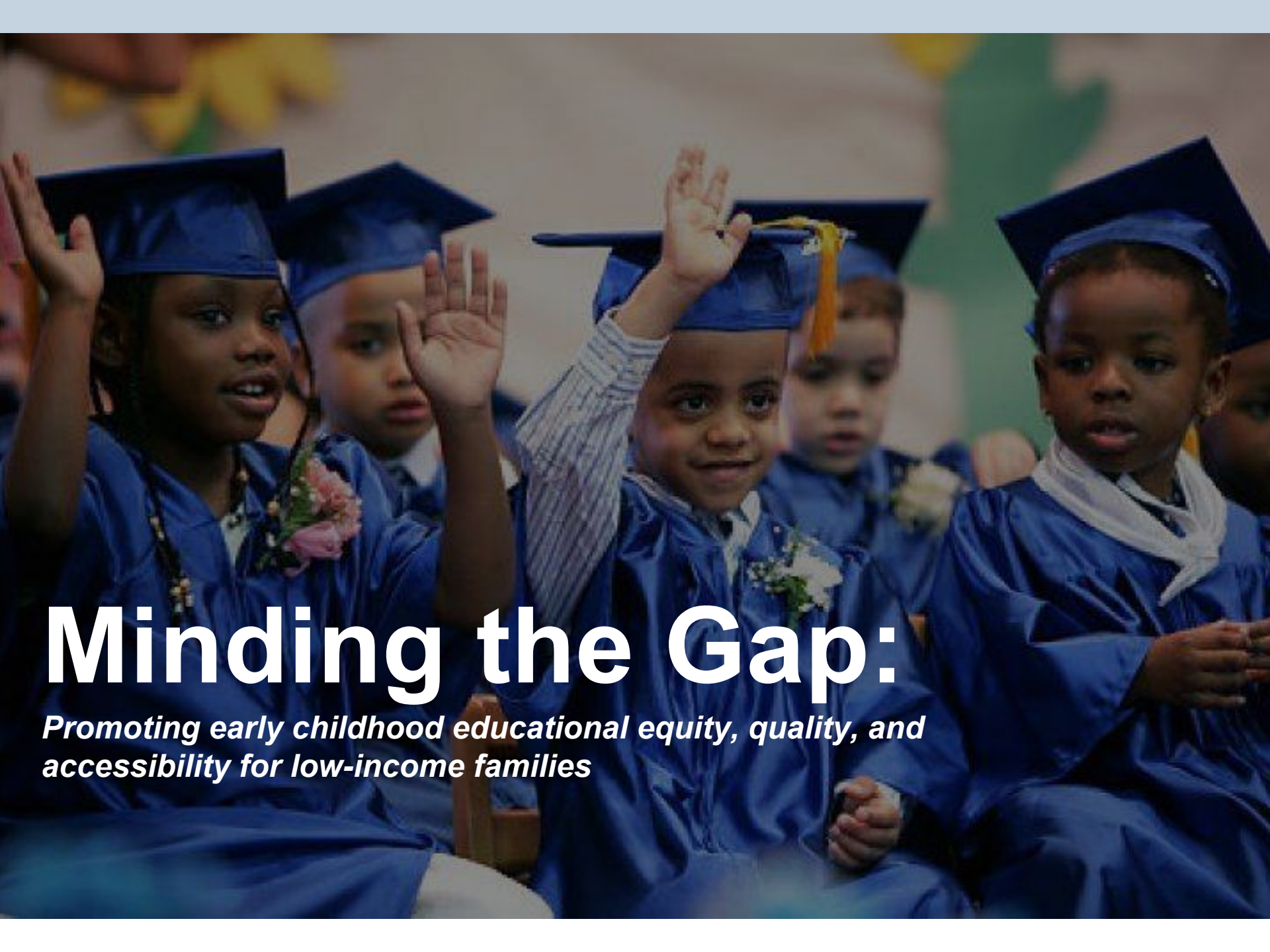
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# Minding the Gap:

*Promoting early childhood educational equity, quality, and accessibility for low-income families*

# Background

# History of ECEC in the United Kingdom

- **September 2010:** All **3- and 4-year-olds** are entitled to **15 hours a week** of state-funded early education  
*96% of 3- and 4-year-olds received state-funded education*
- **September 2013:** Entitlement **extended to 15 hours** of free education per week **for eligible 2-year-olds**, approximately 130,000 children
- **September 2014:** Further extended number of early learning places for 2-year-olds, approximately *260,000 children*
- **Autumn 2015:** Implementation of tax-free childcare scheme supporting working families worth up to £2,000 per child each year

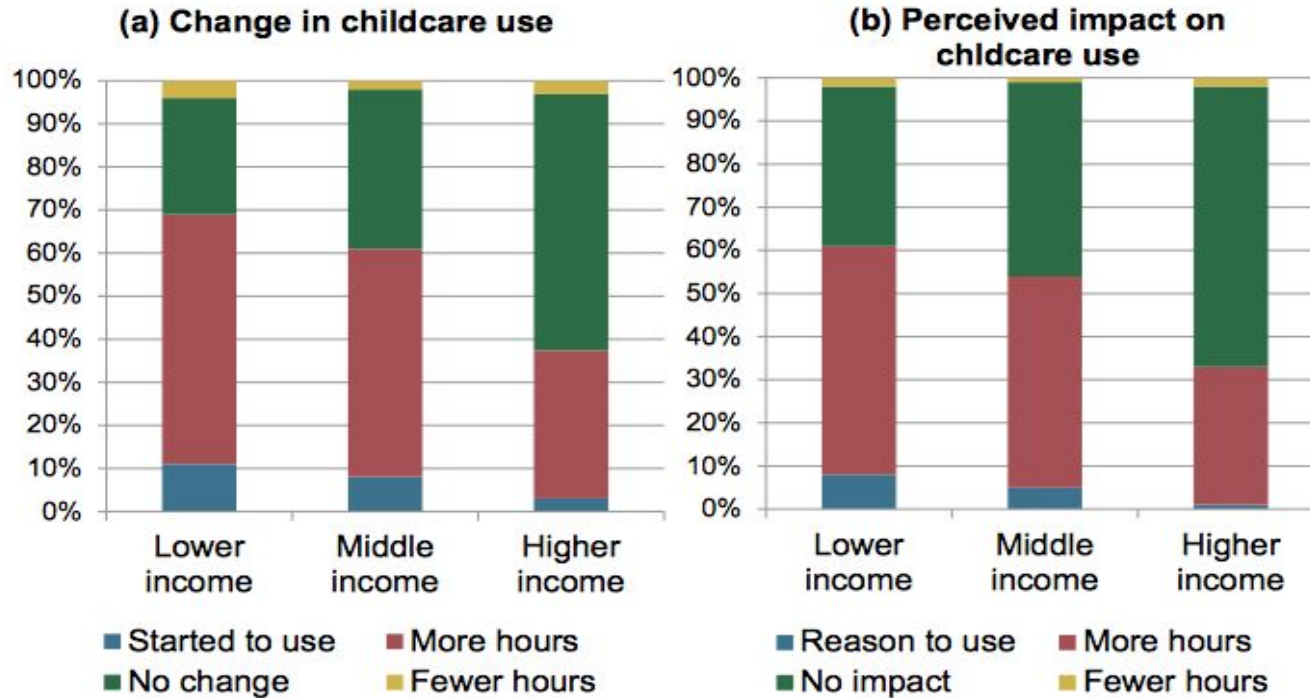
# Expansion of Free Childcare

**February 2016:** In preparation for the national rollout in September 2017, the Department for Education (DfE) initiated early implementation in eight Local Authorities (LAs) in September 2016 with the aim of delivering the extended hours to around 5,000 children. In addition to delivering places, early implementer LAs were required to:

- ❑ Test approaches that drive **market innovation and efficiency**.
- ❑ Generate models of **flexible provision** which match parental working patterns and meet different child needs.
- ❑ **Increase market capacity** to secure sufficient places in local markets,
- ❑ Bringing in **new providers**.
- ❑ Test how to **maximise parental take-up and employment**.
- ❑ Test **technical delivery systems**, including eligibility checking.
- ❑ **Promote** the 30 hours childcare offer, to help build momentum and maximise parental take-up on national rollout.

# Impact of 15-hour extension on parents

Figure 3: Impacts on childcare use across income levels

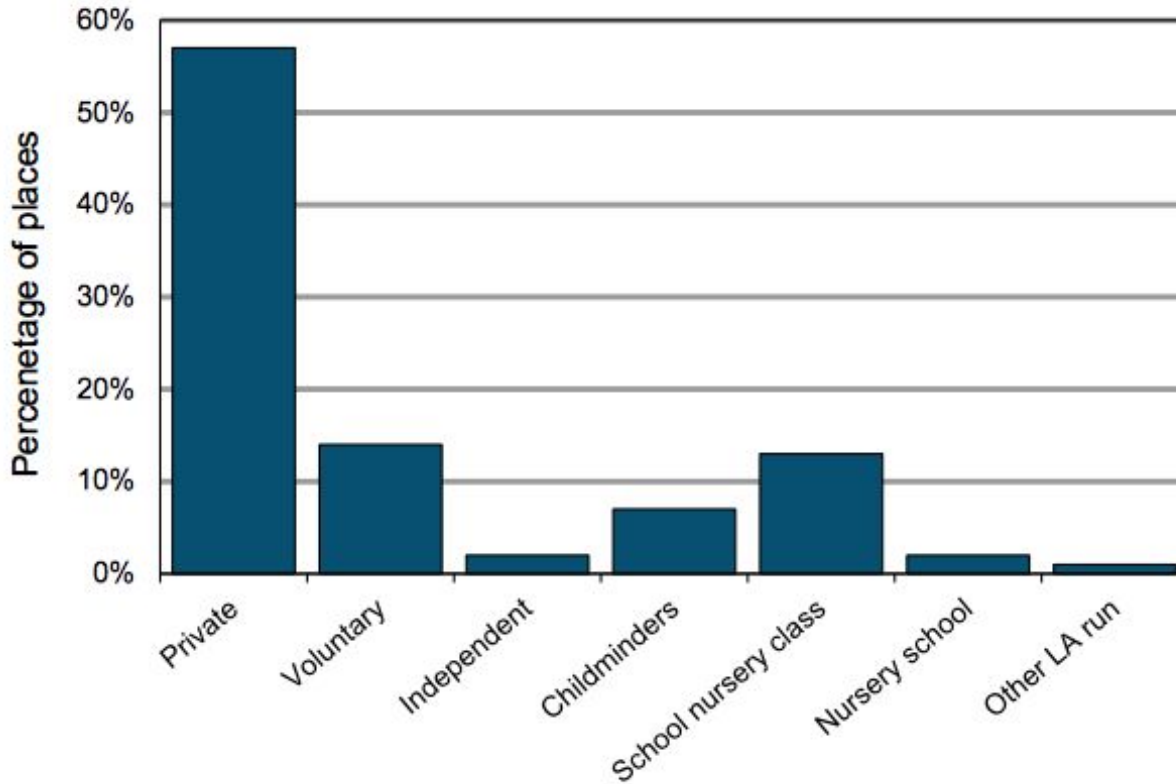


Source: Evaluation Survey of Parents, 2017

*Families using the extended hours tend to be  
more educated with higher incomes.*

# Impact of 15-hour extension on providers

Figure 1: Types of providers delivering extended hours places



Sources: Early Years Census, School Census and additional evaluation data collection, January 2017

Note: Sample size is 4,924 places.



# Current Policy

- The Free Early Education Entitlement offered **15 hours of early education for 38 weeks each year to all three and four year old children** and the most disadvantaged two year olds in England.
- The universal offer for three and four year olds is **now extended to 30 hours for children of working parents** in September 2017
- While the **universal entitlement is focused on supporting child development**, the **extension aims at reducing the cost of childcare** and will support parents to work or to work more hours should they wish to do so.

# Options for Parents

- **Universal Credit** (*phased in*)
  - Reimburses up to 85% of childcare costs if working
  - Up to £7752 for one child; £13296 for two or more children annually
- **Free ECEC for 3 and 4 year olds**
  - All families entitled to 570 hours of free childcare per year (15 hours / week for 38 weeks)
  - Working families entitled to 30 hours / week (if earning minimum wage)
- **Child Tax Credit**
  - Non-working parents outside of Universal Credit Zones eligible
  - Up to £545 + £2780 per child annually
- **Working Tax Credit**
  - Working parents eligible for additional £1,960 annually
  - Mutually exclusive with Universal Credit
- **Free ECEC for 2-year olds**
  - Available to parents receiving certain benefits
  - Benefits include: income support, Jobseeker's Allowance, disability, etc.
- **Tax Free Childcare** (*phased in*)
  - Working parents eligible
  - 25% Government matching, up to £2000 annually per child
  - Mutually exclusive with Universal Credit and Tax Credits
- **Childcare Vouchers** (*phased out*)
  - Employers can provide up to £2860 annually to employees through childcare vouchers
  - Schemes closing to new applicants in April 2018
- **Support for parents in School**
  - Various stipends and grants for parents in school, NVQ, BTEC, PGCE, or higher education

# Challenges

# Policy Challenges

- **Gap in the school readiness** of low- and high-income children at school start (17.7% in 2015)
- **Access to ECEC is still not universal:**
  - 68% of disadvantaged 2-year-olds estimated to be eligible took up their funded place (2016)
  - Take-up lower among children from more disadvantaged families and certain ethnic groups - *90% in more deprived deciles vs 98% in least deprived decile for 3 and 4 year olds (2015). 49% among Bangladeshi children vs 87% among White British (2011)*
  - Parents with lower incomes struggle to provide parental contribution to tax free child care.
  - Potential **increased gaps** in support received by low and higher income groups under the new system.

# Policy Challenges (continued)

- **Capacity**
  - Shortage of early years places expected to increase with extension of free entitlement
  - Funds received by ECEC providers for many insufficient to cover costs for providing places
- **Quality issues in ECEC**
  - $\frac{1}{3}$  of staff in group-based care lack English or Maths GCSE
  - Disparity in the quality of education between most and least deprived areas
  - Extension of free entitlement and national funding formula will further strain quality, also in state maintained nursery schools

# Importance

*Why it Matters*

***More than half the gaps in achievement at eleven are due to inequality that existed at five  
(Bradbury et al. 2015)***

# Policy Importance

## ***ECEC Availability:***

- ECEC availability and access contributes to age and duration of attendance
- Strength and persistence of ECEC outcomes are linked to duration of attendance

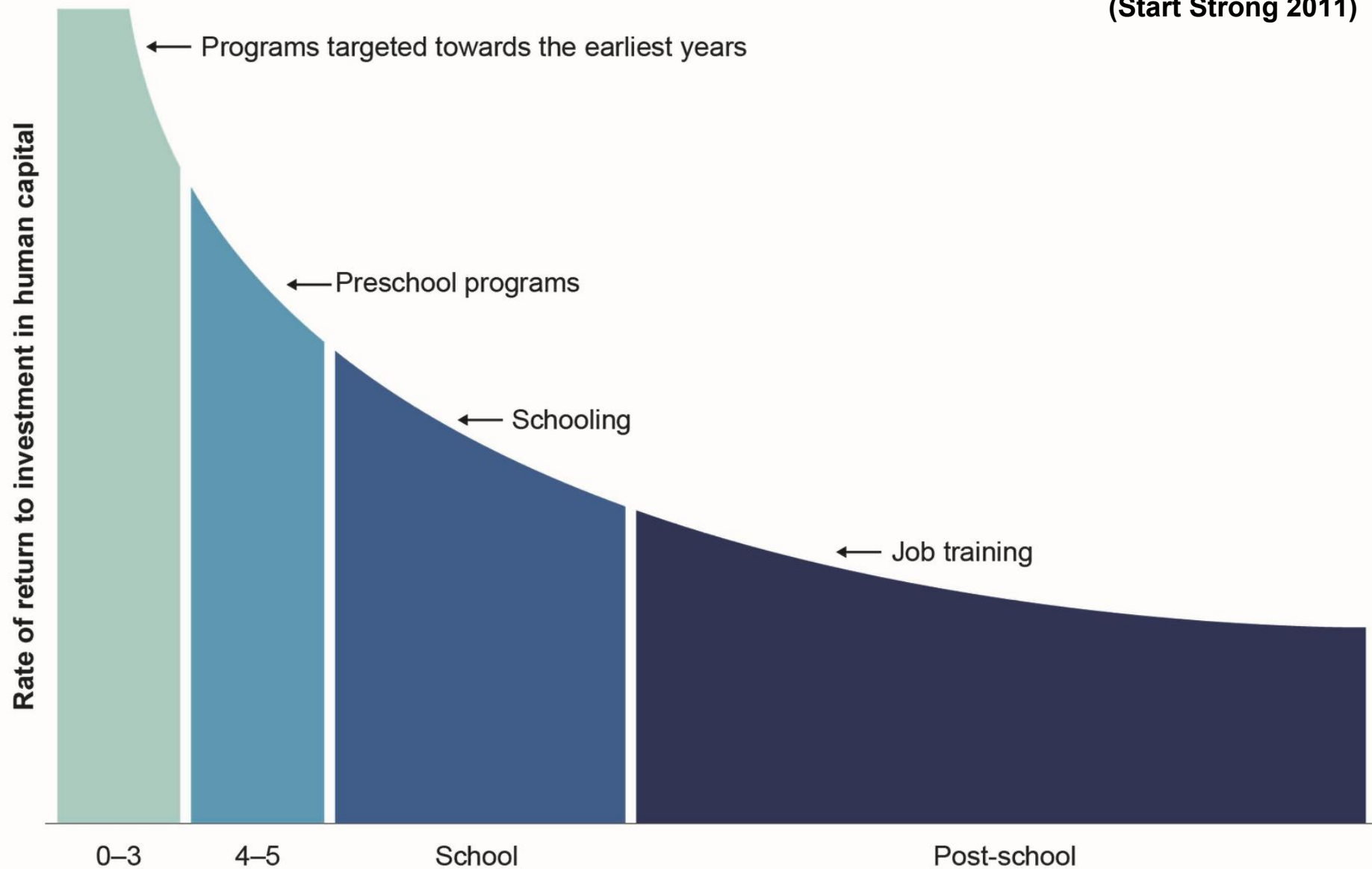
## ***Immediate Benefits:***

- Benefits of longer attendance include:
  - Improved language and cognitive skills at school age
  - Higher cognitive performance levels and educational attainment
- Effects are **durable**:
  - Reading skills at age 10 correlated with number of years of preschool



*“For children from a disadvantaged background, the benefits of ECEC depend on the quality of ECEC care” (Akgündüz et al. 2015).*

(Start Strong 2011)



# Policy Importance - Long Term Benefits

## Education:

- Improved cognitive outcomes
- Increased school completion rates
- Increased graduation rates
- Reduced requirement for remedial education

## Health:

- Reduced child mistreatment
- Reduced child neglect
- Reduced teen pregnancy rates

(RAND Europe 2011)

# Policy Importance - Long Term Benefits

## **Economic:**

- Increased earnings
- Increased labor force participation
- Increased tax returns

## **Social:**

- Reduced crime rates
- Reduced welfare dependency
- Reduced incarceration rates

(RAND Europe 2011)

Increase QUALITY

Increase AVAILABILITY

Increase CAPACITY

**Promote EQUITY**

*What improvements can be made to the UK's early childhood education and care policy to promote equity, quality, and accessibility for low-income families?*

# International Approaches

## France:

- Childminders provide majority of care for children under age 3 within institutional system
- Parents receive subsidy to pay for childminders
- After age 3, preschool is provided for free

## Denmark:

- Provides full-time childcare entitlement from early age (1 - 5 years)
- Parent contribution must not exceed 25% of average gross operating costs for daycare in municipality

## Germany:

- Emphasizes childcare - work compatibility
- Encourages parents to work as much or as little as they desire following childbirth
- Legal entitlement from age 1
- Parents receive parental allowance to replace income for up to 14 months, or longer, for parents who begin working part-time after childbirth
- Provides special language education for refugee families

# Proposals




# Increasing ECEC Quality

- Increase minimum requirements for ECEC staff
- Invest in ECEC staff training
- Allocate funding to institutions serving low-income families

# Increasing ECEC Accessibility

- Promote awareness of program eligibility
- Increase accessibility for low-income and minority parents
- Incentivize childminder entrepreneurship
- Modify eligibility criteria to support low-income and working families

## Minimum requirements for ECEC staff to be maintained / increased

Stakeholders	Barriers	Trade-offs	Potential Actions
<ul style="list-style-type: none"> <li>- Department of Education</li> <li>-Treasury</li> <li>- National Education Union etc</li> <li>- Childcare and education providers</li> <li>-Local authorities</li> </ul>	<ul style="list-style-type: none"> <li>- Existing shortage of (qualified) teachers</li> <li>- Austerity and other government departments competing for money</li> </ul>	<ul style="list-style-type: none"> <li>- Could increase severity of teacher shortage</li> <li>- Costs of qualified teachers too high for local authorities and private settings</li> <li>- Can only work in parallel with investing in training, qualification and employment conditions</li> </ul>	<p>Convene and build alliances with education actors to review and put forward qualifications</p> <ul style="list-style-type: none"> <li>- Maintain requirement for state nurseries and schools to have a qualified teacher</li> <li>- Reverse removing this requirement for other settings</li> <li>-Level 3 qualifications should (incrementally) become the minimum standard for the workforce (Nutbrown review 2013)</li> </ul>
			<p><i>Source: Sutton Trust 2017</i></p>

# Invest in ECEC staff training and employment conditions

Stakeholders	Barriers	Trade-offs	Potential Actions
<ul style="list-style-type: none"> <li>- Department of Education</li> <li>- Training Institutes and universities</li> <li>-Treasury</li> <li>- Childcare and education providers</li> <li>-Local authorities</li> <li>- National Education Union etc</li> </ul>	<ul style="list-style-type: none"> <li>- Austerity and other government departments competing for money</li> </ul>	<ul style="list-style-type: none"> <li>- Costs of qualified teachers becoming too high for local authorities and private settings</li> </ul>	<ul style="list-style-type: none"> <li>-Advocate for lifting of cap on wage increases in ECEC sector</li> <li>- Reinstall dedicated funding pot to support improving non-graduate qualifications and training</li> <li>- Review evidence base to justify giving early teachers Qualified Teacher Status</li> <li>- Explore implementing degree apprenticeships</li> <li>-Maintain role of local authority in continuing professional development</li> </ul> <p><i>Source: Sutton Trust 2017</i></p>

# Funding for institutions serving low-income families

Stakeholders	Barriers	Trade-offs	Potential Actions
<ul style="list-style-type: none"> <li>- Low Income families</li> <li>- Department of Education</li> <li>- HM Treasury</li> <li>- Local Authorities</li> <li>- Childcare and education providers</li> <li>- Taxpayers without children or of middle or high income</li> </ul>	<ul style="list-style-type: none"> <li>- Limited funding</li> <li>- Lack of engagement of non-parents</li> <li>- Need the resources to improve facilities and hire new teachers/carers</li> <li>- Low income areas have high density / little real estate available.</li> <li>- Fairness in allocating the funding amount and geographic distribution</li> </ul>	<ul style="list-style-type: none"> <li>- Potential risk of lowering funding in certain areas for redistribution.</li> <li>- Determining whether to invest in building new institutions, or improve quality of resources.</li> <li>- It may take time to improve facilities and so effects may not be immediate.</li> </ul>	<ul style="list-style-type: none"> <li>- Create grant allocation process for institutions in low-income areas or serving low-income families to apply for funding for expansions, improvements, or staff increases</li> </ul>

# Awareness and Outreach

Stakeholders	Barriers	Trade-offs	Potential Actions
<ul style="list-style-type: none"> <li>- UK Department of Education</li> <li>- Local Authorities</li> <li>- Child care and early education providers</li> <li>- Low Income Families</li> <li>- Advertisement industry and media</li> </ul>	<ul style="list-style-type: none"> <li>- Information available for parents to make decisions about where to use free childcare</li> <li>- Cultural, Racial, Ethnic and religious beliefs</li> <li>- Difference in Efficiency and quality of the Early Education and care providers.</li> </ul>	<ul style="list-style-type: none"> <li>- Accessibility to the information</li> <li>- Commitment of Local Authorities to the promotion of the policy</li> <li>- Shift from quality to quantity can have adverse effects with regards to educational development</li> <li>- Lack of emphasising on educational benefits, but rather on “free childcare”</li> </ul>	<ul style="list-style-type: none"> <li>- Provide additional translations for communications</li> <li>- Target communication to heavily underrepresented communities (i.e. Bangladeshi, Somali and Polish)</li> <li>- Promote partnerships and host outreach events with minority community centers</li> <li>- Provide multilingual early childhood educational instruction</li> </ul>

# Childminder Incentives and Vouchers

Stakeholders	Barriers	Trade-offs	Potential Actions
<ul style="list-style-type: none"> <li>- Childminders</li> <li>- Unemployed education professionals, and newly trained childminders</li> <li>- Entrepreneurs</li> <li>- Low-income families</li> <li>- Department of Education</li> <li>- HM Treasury</li> <li>- Ofsted (Office for Standards in Education, Children's Services and Skills)</li> </ul>	<ul style="list-style-type: none"> <li>- Initial <b>cost</b> to potential childminders (alleviated by tax breaks)</li> <li>- Lack of <b>qualification</b> among willing entrepreneurs</li> <li>- <b>Childminders may not be the ideal solution</b> for some low income parents.</li> </ul>	<ul style="list-style-type: none"> <li>- Risk of <b>abuse</b> of the incentives by parents and childminders.</li> <li>- <b>Increasing workload on oversight systems.</b> (Ofsted)</li> <li>- Possibly <b>quality of care</b>, as childminders may not be very experienced.</li> </ul>	<ul style="list-style-type: none"> <li>- Conditional <b>tax breaks</b> for new childminders.</li> <li>- Legal requirement for childminders to <b>prioritize low income parents</b> who do not qualify for the 30-hours.</li> <li>- <b>Provide vouchers</b> for those families that allow for a number of hours to be determined.</li> </ul>

# Modify eligibility criteria to support low-income and working families

Stakeholders	Barriers	Trade-offs	Potential Actions
<ul style="list-style-type: none"> <li>- Low-income families</li> <li>- Department of Education</li> <li>- Department of Treasury</li> <li>- Local Authorities</li> <li>- Child care and early education providers</li> </ul>	<ul style="list-style-type: none"> <li>- Financial barriers to broadening eligibility</li> <li>- Limited funding under austerity government</li> </ul>	<ul style="list-style-type: none"> <li>- Potential for exploitation</li> </ul>	<ul style="list-style-type: none"> <li>- Replace working parent eligibility grace period; instead allowing immediate access to parents who enter work, and continuing access until child enters school</li> <li>- Remove minimum income requirement from eligibility criteria</li> <li>- Remove work requirements from eligibility criteria</li> </ul>





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ngiyabonga

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dank je

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thank you gracias

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go raibh maith agat

terima kasih

grazie

arigatō

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