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Support for childcare and the early years

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Summary

Despite increasing Government investment over recent decades, the Early Childhood Education Care system (ECEC) in England is facing challenges of both affordability and availability. Early years providers are closing, unable to make ends meet against a background of rising costs and stagnant funding rates. Providers that remain face severe recruitment challenges and childminders have been leaving the profession at an alarming rate. Parents are struggling to meet rising childcare costs which make up an ever increasing proportion of families' net income. Whilst the majority of ECEC provision is good or outstanding, high staff turnover rates in formal settings affects young children who benefit from consistent relationships with adult carers.

The Government announced a funding package in the Spring Budget in March 2023 that will almost double Government annual expenditure on support for ECEC by 2025. The biggest change is the extension of the subsidised 30-hours entitlement from 3-and-4-year-olds down to 9-month-olds. This is a welcome investment and demonstrates that the Government is listening to concerns about affordability and sustainability from parents and providers. However, this investment is much overdue and more will need to be done to address the structural problems in the ECEC system if the funding increases are to be implemented effectively. In particular, close attention should be paid to effective funding distribution. Settings in disadvantaged areas already struggle more than those in more affluent areas, yet we know that it is children from disadvantaged families that can benefit the most from high-quality ECEC.

Underfunding of the early years entitlements has left providers unable to invest in development and straining to survive. It is imperative now that the Government is so significantly expanding its intervention in the childcare market, that they get the rate right for the entitlements they fund. We also recommend that all nurseries are exempted from business rates and zero-rated for Value Added Tax (VAT) in recognition of their role in delivering a public good and a key Government priority. This would help them to provide enough space for the children that they care for and allow them to invest more in development.

Staff are the lifeblood of any early years setting. Their role is vital in nurturing, educating and keeping children safe. The Government should explore the potential for greater parity with other educational providers, such as those in primary schools, in pay, career development and recognition. That is why we recommend that the Early Careers Framework is expanded to all staff in Ofsted-registered ECEC settings.

Increasing the number of subsidised childcare places should not come at the expense of quality. We are deeply concerned about plans to relax staff:child ratios from 1:4 two-year-olds to 1:5. Arguments from the Government that this brings England in line with the ratio requirements in Scotland and Europe fail to recognise the higher qualification levels in these ECEC systems that allow for more leniency in ratios without compromising quality. The impact of these changes should be closely monitored and reversed if quality is degraded. Simultaneously, more needs to be done to invest in developing a better qualified ECEC workforce. To support providers to develop their staff, we have also

recommended the introduction of a Leadership Quality Fund, modelled on the recent Graduate Leaders Fund but broader, to help recruit, train and retain well-qualified early years professionals.

The number of children diagnosed with Special Educational Needs and Disabilities (SEND) has been rising in recent years. Since the COVID-19 pandemic in particular, the number of children diagnosed with developmental delays and speech and language difficulties is concerning. It is vital that these children's needs are identified and supported as early as possible. Therefore, we recommend that SEND training should be mandatory for all staff and that sources of funding for additional SEND support must also be made easier and quicker for providers to access.

Childminders form a vital part of the ECEC market, offering unique flexibility for parents and personalised care for children. It is concerning to see this part of the market struggling even more than others from administrative burdens, low pay and often loneliness. We recommend several changes that could give childminders more flexibility to set up as a business, either individually or in collaboration with others.

The message we heard loud and clear from the 1,162 parents who wrote to us in this inquiry was that their trust in the ECEC system is low, although many spoke highly of individual providers and care staff. Many who need or want to return to work struggle to access affordable, accessible and high-quality childcare. A common theme was disillusionment in the Government's offer of 'free' hours, when they are not, in reality, free. We recommend that the 'free-hours' entitlements are renamed as 'funded' or 'subsidised' to reflect accurately the Government's offer.

We were surprised that the limitation on parents in training or education claiming funded childcare entitlements remains. This appears to contradict the Government's agenda in supporting lifelong learning. We recommend that this barrier is removed. This will give parents who need to retrain to re-enter the workforce or to secure more flexible work to accommodate their childcare needs equal access to support.

Parents also need more holistic support, including parenting advice, information about services, and a community that will support them in managing the complex early years of their child's life. We welcome the Government's pilot of Family Hub centres. These centres can and should play a vital role in developing parental trust and awareness in the ECEC system. We recommend that these are expanded as soon as possible and secured with long-term funding.

We note that better support for parents who choose to stay at home with their children was not included in the Spring Budget announcements. While this topic is not directly in the scope of this inquiry, or within the remit of the Department for Education, it will be important for the Government to complement their focus on supporting working parents with a more family-centred policy approach to early years education that recognises the importance of the home learning environment on children's development and the value of the care that parents can provide at home. We recommend that the Government look at ways to support parents who choose to stay at home through changes to child benefits and parental leave allowances.

Government announcements in the Spring Budget indicate its willingness to better support this vital sector. To properly do so, these changes need to form part of a wider Early Years Strategy, encompassing supply side reforms, workforce development, and a considered focus on improving the quality of ECEC provision for children in all areas. Simply expanding the funded entitlements will not be enough. We recommend that the Government review and update its 2017 early years strategy.

1 Introduction

Government support

1. We heard positive feedback about the "well-intentioned investment" that the Government has made in the ECEC sector in recent decades.[1] However, we also heard childcare provision in England described as "incoherent" and "overly complex" and far from achieving its potential. Over the last six months, we have seen substantive evidence that childcare and early years education is a major challenge for parents. We received 1,357 pieces of written evidence of which 1,162 were from parents. The dominant themes among parent submissions were "crippling" costs despite Government support, the "utterly opaque and frustrating system" and the "crisis" of inaccessibility in the childcare provider market.[2]

2. The UK Government provides support to parents in England for Early Childhood Education and Care (ECEC) costs.[3] ECEC is used to refer to formal education and care provided in settings registered with a regulator, which in England is Ofsted.[4] It includes childminders, nurseries, playgroups and children's centres. Government support is only applicable for regulated ECEC settings: it does not cover informal care provided by relatives or friends. Regulated ECEC settings include private, voluntary and independent (PVI) and public providers, through to Maintained Nursery Schools (MNS).

3. The early years sector has been affected by significant policy changes in recent years through increases in the number of funded hours of early years education available to parents of pre-school children, particularly among disadvantaged groups. Currently, support is administered through several channels, and by several Government Departments. The Department for Education (DfE) now funds childcare places through three 'entitlements':

- Universal Entitlement: Introduced in 2010, this provides 15 hours per week (38 weeks a year) to all 3- and 4-year-olds. This includes 4-year-olds in a reception place;[5]

- Disadvantaged Entitlement: Introduced in 2013, this provides 15 hours per week (38 weeks a year) of funded ECEC to certain 2-year-olds, including where families qualify for specified benefits, the child has an Education, Health and Care Plan or is 'Looked After'.[6]

- Extended Entitlement: Introduced in 2017, this provides an additional 15 hours per week (38 weeks a year) to 3-and 4-year-olds of eligible working parents. Taken with the universal entitlement, this totals 30 hours per week.[7]

Other support includes Tax-free Childcare (TFC) which is led by HM Treasury and administered by HM Revenue and Customs (HMRC). Under the TFC scheme, the

1 Coram Family and Childcare (CEY1375)
2 Summary of written evidence submitted by parents (CEY1716)
3 Education is devolved and there are different policies in place in Scotland, Wales and Northern Ireland: Scottish Government, 'Funded early learning and childcare'; Welsh Government, 'Get 30 hours of childcare for 3 and 4 year olds'; NI Direct, 'Childcare', all accessed 7 July 2023
4 Ofsted, 'Early Years: regulation', accessed 7 July 2023
5 HM Government, '15 hours free childcare for 3 and 4-year-olds', accessed 7 July 2023
6 HM Government, 'Free education and childcare for 2-year-olds', accessed 7 July 2023
7 HM Government, '30 hours free childcare', accessed 7 July 2023

Government tops up by £2 every £8 eligible parents or carers spend on childcare.[8] The Department for Work and Pensions (DWP) also offers financial support for childcare to parents claiming Universal Credit. The Universal Credit Childcare Element includes cover for up to 85% of childcare costs with the maximum amount payable being £646 a month for one child or £1,108 a month for two or more children.[9] Parents or carers must be in paid work to be eligible and are required in most cases to pay costs upfront and then claim them back. All schemes are only applicable for childcare provided in Ofsted-registered ECEC providers.

4. In 2021 the Organisation for Economic Co-operation and Development (OECD) reported that the cost of full-time, centre-based childcare in the UK was amongst the highest proportion of families' net wage in the OECD, after any benefits designed to reduce the gross childcare fees. For a couple on the minimum wage, the OECD estimated that childcare costs amount to 25% of their earnings.[10] However, it is important to note that the high relative cost of childcare for families in the UK compared to net income is a result of the higher rate of taxes paid by UK families and the lower rate of child benefits in comparison to other OECD countries, rather than reflecting higher raw costs of childcare. The cost has been rising. According to an Institute for Fiscal Studies report in 2022, 'The Changing Costs of Childcare', the cost of part-time nursery places for children under two grew by 60% in cash terms between 2010 and 2021, twice as fast as average earnings, and much higher than the 24% growth in overall prices in the same period.[11] According to the DfE's 2021 Childcare Survey, "almost half (45%) of families earning under £10,000 per year found it difficult or very difficult to meet their childcare costs, falling to just 13% of families earning £45,000 or more".[12] This trend has continued to accelerate, with Coram's Childcare Survey 2023 finding that the cost of the majority of nursery prices in Great Britain had risen with a higher percentage point increase than was seen from 2021 to 2022.[13]

5. At the same time, our evidence showed that the sector is facing significant challenges. Thousands of nursery providers reported running at a loss or closing amidst increasing financial pressures from rising living costs and minimum wage increases.[14] Data from the Office for National Statistics (ONS) showed that between December 2021 and December 2022, there was a net decline of 7.6% in registered childcare providers, representing the largest decline since 2015–16.[15] Helen Donohoe, Chief Executive of the Professional Association for Childcare and Early Years (PACEY), told us that the number of childminders had halved in 20 years from around 60,000, and projected that by 2035 there would be only 1,000.[16] Workforce problems were also causing concern, with a 2021 survey of 1,400 ECEC workers by the Early Years Alliance revealing that 84% of providers were finding it difficult to recruit suitable early years staff, and 35% of providers were actively considering leaving the sector.[17] The 2023 Coram report found a "deeply concerning"

8 HM Government, 'Tax-free childcare', accessed 7 July 2023
9 Department for Work and Pensions, 'Universal Credit childcare costs', accessed 7 July 2023
10 OECD, 'Net childcare costs', accessed 7 July 2023
11 Institute for Fiscal Studies, *The Changing Cost of Childcare* (May 2022), p 3
12 HM Government, *Childcare and early years survey of parents* (August 2022)
13 Coram Family and Childcare, *Childcare Survey 2023* (March 2023), p 17
14 National Day Nurseries Association (CEY1568)
15 Ofsted, 'Childcare providers and inspections: management information', accessed 7 July 2023
16 Q33 [Helen Donohoe]
17 Early Years Alliance, *Breaking Point* (December 2021), p 5

drop in childcare sufficiency, especially for children with special educational needs and disabilities.[18] Neil Leitch from the Early Years Alliance said that the sector is facing a "crisis".[19]

The case for early years care and education

Improving educational and developmental outcomes for children

6. We note that research over several decades has highlighted how high-quality early education and care (ECEC) can have a positive effect on children's educational, cognitive, behavioural, and social outcomes, in both the short and long term.[20] ECEC has been shown to play a positive role in raising attainment and closing the gap between outcomes for children from disadvantaged backgrounds and other children.[21] Data from the Department for Education's longitudinal study, the Study of Early Education and Development (SEED), found that attending high-quality ECEC was associated with positive cognitive outcomes at age 5, particularly for disadvantaged children and children with less stimulating learning environments at home.[22]

7. The data remains mixed about the appropriate start time, average weekly hours, and features of ECEC that support positive educational outcomes. This is partly due to the difficulty of establishing a causal relationship between factors provided within an ECEC environment and the relative Home Learning Environment (HLE) upon children's outcomes.[23] The evidence is also mixed in certain age groups. For example, the evidence is less conclusive about the benefits of ECEC for children under the age of two as fewer studies have focused on this age group. However, the SEED study found that children from the 40% most disadvantaged families who attended formal ECEC for least 10 hours per week before the age of two, and at least 20 hours per week between the ages of 2 and 5, had better educational outcomes in Key Stage 1 than their peers who do not.[24]

8. Most of our evidence, including that from parents, providers, schools, think tanks, charities, and Government bodies, emphasised the importance of high-quality ECEC for children. The Sutton Trust told us that 93% of senior leaders in primary schools that they surveyed in 2021 said that time spent in early years provision before children start in reception helped support school readiness, with 71% saying it helped "considerably".[25] Ofsted said that "good quality early education has a positive effect on the life chances of disadvantaged children".[26] Parents were the most vocal group on this subject, with many

18 Coram Family and Childcare, *Childcare Survey 2023* (March 2023), p 4

19 Q10 [Neil Leitch]

20 Michael F. Green et al., "*Pre-school Childcare and Inequalities in Child Development*", SSM - Population Health, vol 14 (2021); James J. Heckman, "*Skill Formation and the Economics of Investing in Disadvantaged Children*", Science, vol 312 (2006)

21 Education Policy Institute, *Structural elements of quality early years provision: A review of the evidence* (August 2018), p 5; Andre S. Bustamante et al, "*Adult outcomes of sustained high-quality early child care and education: Do they vary by family income?*", Child Development, vol 93 (2022), pp 503–523; Jorge M. Garcia et al, "*The Dynastic Benefits of Early Childhood Education*", Social Science Research Network (2021)

22 Department for Education, *Study of Early Education and Development (SEED): Impact Study on Early Education Use and Child Outcomes up to age seven years* (October 2021), p 7

23 The Home Learning Environment (HLE) refers to the learning opportunities and activities parents create and do with children in the home, such as reading, drawing and singing nursery rhymes.

24 The Local Government Association (CEY1498)

25 The Sutton Trust, *A Fair Start? Equalising access to early education* (August 2021), p 9

26 Ofsted (CEY1448)

commenting that a child's first years were the "most important", and that early years education was "crucial", "vital", and "a critical indicator to the future health, well-being, success and life outcome of an individual".[27]

9. Every home is different, and some children may benefit more than others from the home learning environment. This is especially the case when the only available option is low quality ECEC, as there is evidence that this can have a negative impact on children.[28] The key element stressed by witnesses, including Megan Jarvie, Head of Coram Family and Childcare, a children's charity, was the importance of providing tailored financial support to allow parents to have "a genuine choice" about working, how much work to take on, and what is best for their family.[29]

Supporting working parents

10. Reliable provision of Early Childhood Care and Education (ECEC), and childcare for older children, is important both for parents who need or wish to work and for children who may benefit from formal early years childcare and education. Many parents we heard from were looking to move back into work, both to develop their career prospects, and to provide more for their families. Little Village, a charity that supports families with young children in poverty, said that the families they serve "consistently tell us that they want to work to increase their incomes to support their children".[30] The Department for Education's Childcare and early years survey of parents found that a third of part-time mothers surveyed said that in the absence of any barriers, they would increase their working hours, and 17% said they would move into full-time work.[31] However, the Institute for Public Policy Research said that "childcare costs continue to push working parents out of better-paid work, and into lower paid and/or lower responsibility work" as parents face a "costly trade-off where their effective earnings barely outstrip childcare costs".[32] These effects were particularly pronounced for younger parents and single parent families.[33]

11. The ability to work while caring for young children can also prevent labour market detachment, which the Institute for Fiscal Studies noted was particularly a problem for mothers.[34] The Chartered Institute for Personnel and Development (CIPD) also note that the longer women are detached from the labour market, the harder it is for them to return to work.[35] The Centre for Progressive Policy echoed this perspective, noting that women provided more unpaid care than men, which negatively impacted their earning potential and future pension security.[36] The Confederation of British Industry agreed, commenting that "spiralling childcare costs also have a detrimental impact on workplace equality", and noted that the gender pay gap was significantly wider for the 40–49 age group in the years after parents have had their first child.[37] According to analysis by the Women's Budget

27 Summary of written evidence submitted by parents (CEY1716)
28 Department for Education, 'Study of early education and development (SEED)', accessed 7 July 2023
29 Q27 [Megan Jarvie]
30 Little Village (CEY1535)
31 HM Government, *Childcare and early years survey of parents* (August 2022)
32 IPPR (CEY1540)
33 Gingerbread (CEY1485); Young Women's Trust (CEY1507)
34 Institute for Fiscal Studies, *The Changing Cost of Childcare* (May 2022), p 1; Institute for Fiscal Studies (CEY1561)
35 CIPD (CEY1310)
36 Centre for Progressive Policy (CEY1469)
37 CBI (CEY1545)

Group, 1.7 million women are currently restricted from working more by childcare costs. The Group estimated that providing more parents with the option to work by further investment in ECEC would unlock £28.2 billion annually.[38]

The Spring Budget

12. Support for childcare was one of the largest announcements in the 2023 Spring Budget. The package of reforms represents, in the words of Minister Claire Coutinho, Minister for Children and Families at the Department for Education, "the single largest investment in childcare".[39] The Government has announced £3.2 billion of funding support for parents in the remaining Spending Review period up to 2024–25 and a further £15.2 billion over the forecast period to 2027–28.[40] This is made up of the following support packages:

- Expansion of the 30-hours policy: From September 2025, all eligible working parents of children aged 9 months up to 3 years will be able to access 30 funded hours per week. For this, the Chancellor has announced additional funding of £2.2 billion in the remaining Spending Review period up to 2024–25 and a further £14.8 billion over the forecast period to 2027–28.

- Funding rate increase: The Government will raise the hourly funding rate paid to providers to deliver the existing funded hours offers. The amount allocated will be £204 million in 2023–24, paid from September 2023, and £288 million in 2024–25.

- Staff:child ratios: From September 2023, the Government will change staff-to-child ratios from 1:4 to 1:5 for 2-year-olds in England.

- Childminder grants: The Government will provide start-up grants for new childminders entering the profession. These will amount to £1200 to those who choose to register with a childminding agency and £600 to those that register with Ofsted.

- Wraparound childcare: the Government will introduce a national pathfinder scheme for wraparound childcare in England, to stimulate supply in the wraparound market and develop the provision of 8am-6pm childcare.

- Universal Credit Cap increase: The Government will increase the Universal Credit childcare cost maximum amounts to £951 for one child and £1,630 for two children from July 2023 and increase them in line with Consumer Price Inflation (CPI) each year thereafter until 2027–28. This would constitute new funding of £135 million over the remaining Spending Review period to 2024–25 and a further £240 million over the forecast period to 2027–28.

- Universal Credit Arrears: Additional funding of £195 million has been allocated over the Spending Review period to 2024–25, with a further £205 million over

38 *Spring Budget 2022: Childcare and Gender* (March 2022), p 1; Women's Budget Group, *Spring Budget 2022: Children and Gender* (March 2022), p 1
39 Q248 [Claire Coutinho]
40 HM Treasury, 'Table 4.1 Spring Budget 2023 Policy Decisions', accessed 7 July 2023

the forecast period to 2027–28, to support parents who are moving into work or increasing their hours by allowing support for childcare costs in Universal Credit to be made available upfront.

- Consultation on reforms to the childcare market: This will explore further flexibilities for providers, allowing childminders more choice over how they operate and introducing a new childminder-specific Early Years Foundation Stage framework.[41]

13. These announcements followed months of pressure from our Committee and the Work and Pensions Committee, with inquiries and debates focusing on childcare and early years spending by the Department for Education.[42] It also follows work by the Work and Pensions Committee in its 2022 inquiry into 'Universal Credit and Childcare Costs', which found that the cost cap for the Universal Credit Childcare Element was too low, and that the arrears payment system meant parents "often face a choice between taking on debt or turning down work".[43] Our Committee has also heard about the "huge barriers" preventing parents from accessing the Universal Credit Childcare Element, and movement towards mitigating the pressures of upfront costs and raising the cap have been welcomed by many.[44] The Government's response in the Spring Budget indicates that it has listened to concerns from parents and the sector and is working to further support parental choice.

14. Witnesses were broadly supportive of the additional funding announced in the Spring Budget, praising the "welcome and long overdue" funding increases, but considerable concern was expressed over deliverability and sustainability.[45] However, we heard concerns that the continued focus on working parents could lead to the reforms benefitting parents unequally. In response to the Spring Budget, the Institute for Fiscal Studies (IFS) commented that childcare support is becoming ever-more targeted at working families, and targeting workers means largely benefitting richer families.[46] Laura Barbour, Early Years Lead at the Sutton Trust, an education and social mobility charity, stated that as a result, only 20% of families in the bottom third of the income distribution qualify for the 3- and 4-year-old offer and 70% of families in the top half qualify, "immediately there is a system that is fundamentally unequal in terms of access from the starting point".[47] Given that the stated aim of the Government's new policy is to encourage parents to return to the labour market, it is inevitable that working families, who will have higher incomes than non-working families, will be the principal beneficiaries of the additional funded hours.

15. We also heard that this considerable investment must be implemented carefully to balance the needs of parents to work, and of children to get high quality support in these important years. The Sutton Trust recommended in its 2020 report 'Getting the Balance Right' that the Government "strike the right balance between supporting parents back into work to bring families out of poverty, while focusing on high quality early childhood

41 HM Treasury, *Spring Budget 2023* (March 2023), pp 53–55
42 *Estimates day debate: childcare and early years spending by the Department for Education*, Debate Pack CDP-0048, House of Commons Library, March 2023
43 Work and Pensions Committee, Fourth Report of Session 2022–23, *Universal Credit and childcare costs*, HC 127, p 5
44 Q27 [Megan Jarvie]; Qq133–134 [Victoria Benson]; Coram Family and Childcare, 'Coram Family and Childcare responds to the Chancellor's Budget', accessed 7 July 2023; Women's Budget Group, 'WBG's response to the Spring Statement 2023', accessed 7 July 2023
45 Sutton Trust, 'Sutton Trust responds to childcare announcements in the Spring Budget', accessed 7 July 2023
46 Institute for Fiscal Studies, *Changes and challenges in childcare* (March 2023)
47 Q20 [Laura Barbour]

education that supports children's development and closes the disadvantage gap".[48] The Fawcett Society argued that this need not be a trade-off as where expansion in childcare is properly resourced and therefore of high quality, it benefits both child development outcomes and parental labour force participation rates.[49] In oral evidence, Minister Coutinho noted that the childcare system is trying to increase labour market participation, improve education outcomes, particularly for disadvantaged children, and also improve the cost of living.[50] However, the Sutton Trust expressed concern in its written evidence that the current system was "too focused on childcare at the expense of high-quality early education".[51]

16. Another concern we heard is that the level of investment is simply insufficient to achieve the increase in places that the Government is expecting. Despite the last decades of investment, as of February 2023 UK public spending on childcare and pre-primary education per child was among the lowest in OECD countries.[52] According to analysis by IFS, the extra funding announced is in line with the expected increases in provider costs over the next two years, but fails to address the 13% real terms pay cut that the sector has absorbed since 2017–2018.[53] The Nuffield Foundation, among others, argued that there is "a strong case for additional investment in the early years, as a foundational stage of early development" and as "lifelong inequalities have their roots in early childhood, this would be investment in social and individual well-being over the long term".[54] Dr Julian Grenier, Head Teacher at Sheringham Nursery School and Children's Centre, pointed out that "the two-year-old's brain is 80% of the size of an adult brain" and that "incredible things are happening to these young children that can help them down life paths for good or for ill".[55] More funding would be a worthwhile investment. Funding is not the full picture though, as we heard that the market is still struggling and urgently calling for more supply-side reforms to tackle rising bills and chronic workforce issues.

17. Not all solutions to these problems fall within the DfE's remit. The DWP has responsibility for the Universal Credit Childcare Element, and HM Treasury for the Tax-Free Childcare Scheme. The Department for Health and Social Care (DHSC) and the National Health Service (NHS) are responsible for the diagnosis and support of young children with SEND in ECEC and at home. Communication with the Department of Levelling up, Housing and Communities will be needed for childminder reforms, and local authorities are integral to the picture as the main bodies responsible for the supply and sufficiency of the ECEC market in their areas.[56] It was encouraging to hear Minister Coutinho speak about the Government's plans to engage with the DHSC, the NHS, and the Department for Levelling up, Housing and Communities, and local governments about the planned reforms.[57]

18. **The Spring Budget announcements are a welcome sign that the Government has realised that urgent care and attention is needed in the childcare and early years**

48 The Sutton Trust, *Getting the Balance Right* (July 2020), p 7
49 The Fawcett Society (CEY1528)
50 Q258 [Claire Coutinho]
51 Sutton Trust (CEY1502)
52 OECD, *Public spending on childcare and early education* (February 2023), p 2
53 Institute for Fiscal Studies, 'Childcare reforms', accessed 7 July 2023
54 Nuffield Foundation (CEY1709)
55 Q94 [Dr Grenier]
56 Qq291–2 [Anna Firth]
57 Qq277, 288, 292 [Claire Coutinho]

education market. We particularly welcome the additional funding for Universal Credit entitlements and the additional investment in extending the subsidised hours, but feel that HM Treasury missed an opportunity to reform tax-free childcare and increase the flexibility of the system.

19. ***The childcare and early years education system is already spread across multiple departments and local authorities. Government must commit to effective cross-government working, both centrally and locally. This will be vital to ensure that these reforms are delivered effectively and equitably, and that the opportunities for parents and children are realised.***

2 A fair market for providers

A struggling market

20. There was little doubt amongst contributors to this inquiry that the childcare market has not been functioning well. Little Jungle Nursery, among many others, said that it was "struggling to survive".[58] The Bristol Early Years Recruitment Forum was reflective of the general sentiment when it wrote that the early years sector is "facing a crisis in funding and workforce shortages that have put it on the point of collapse".[59] For years, providers have been struggling to break even. DfE analysis published in April 2022 suggested that the median income-to-cost ratio (total weekly income divided by total weekly cost) was 0.96, meaning half of providers were at or around the breakeven point. This ratio had remained stable since 2019.[60] On top of this, recent pressures such as rising energy costs, rising food costs, recruiting costs, as well as minimum wage and business rate increases are putting considerable additional pressure on the market and reducing sustainability.[61] According to the IFS, costs faced by childcare providers have risen more quickly than those of households or the economy as a whole. In 2021/22 the prices facing childcare providers were 15% higher than in 2017/18, compared to 9% higher for consumer prices.[62] Kara Jewell, a Childminder and Director of Sparkle Lodge Early Years, told us that "it is not a good time to be opening a nursery" and that she has been unable to take a wage for herself.[63]

21. Financial pressures have been forcing settings to close. In March 2022, there were 68,000 providers registered with Ofsted. Ofsted reported in 2022 that the number of providers had fallen by 8% since 2021. It also noted that in the last 10 years, the number of new providers joining their registers had "progressively decreased".[64] Coram's 2023 Childcare Survey also found that England has seen reductions in ECEC availability for all pre-school childcare, with a marked reduction of 7 percentage points for both children aged under two (down to 50 per cent) and three and four year olds who take the 30 hour entitlement (down to 66 per cent).[65] The DfE noted that while the number of providers had decreased, the number of childcare places had remained broadly stable.[66] The number of places and providers is managed locally by local authorities, who have a duty under the Childcare Act 2006 and the Childcare Act 2016 to ensure that there is sufficient childcare for working parents under the funded entitlements that are offered.[67] It is interesting in this context that Coram's 2023 survey still found that 43% of local authorities reported a reduced number of education entitlement places.[68]

58 Little Jungle - School of Early Childhood (CEY0008)
59 Bristol Early Years Recruitment forum, Filton Avenue Nursery School & Children's Centre (CEY0025)
60 Department for Education, *Providers' finances: survey of childcare and EY providers 2021* (April 2022), pp 14–15
61 Low Pay Commission, *Minimum wage rates for 2023* (November 2022); "*Business rates revaluation 2023*", Valuation Office Agency news story, 17 November 2022; Coram Family and Childcare, *Childcare Survey 2023* (March 2023), p 6
62 Institute for Fiscal Studies, *Annual report on education spending in England: 2022* (December 2022), p 28
63 Q70 [Kara Jewell]
64 Ofsted, *Main findings: Childcare providers and inspections as at 31 August 2022* (March 2023)
65 Coram Family and Childcare, *Childcare Survey 2023* (March 2023), p 6
66 Department for Education (CEY1714)
67 Department for Education, *Early education and childcare* (April 2023); Childcare Act 2006, section 5a; Childcare Act 2016, section 1
68 Coram Family and Childcare, *Childcare Survey 2023* (March 2023), p 33

22. We heard that parents are finding it harder to find ECEC places for their children as a result of the high rate of closures. Hundreds of parents told us in written evidence about their difficulties in accessing provision, including long commutes to settings outside of their local area, and long waiting lists. Many told us that they had to apply for a childcare place even before their children were born. One parent said, "Most childcare settings in our local area have around a 1yr waiting list, our daughters' nursery has at times a 2yr waiting list due to its popularity".[69] These difficulties have led to more parents relying on informal childcare, which is care not from the parents but from neighbours, family or friends. This carries its own risks. Registered childcare providers must undergo background checks, safeguarding training, and follow the Early Years Foundation Stage (EYFS) statutory framework. These are not requirements for informal carers. We also heard that informal childcare can be less reliable for parents and put strain on elderly family members, although for many families there are also clear advantages to using informal childcare such as family relationships, flexibility and consistency.[70] According to DfE data in 2022, 22% of children used informal childcare in 2021, and 44% used formal childcare.[71]

23. Quality ECEC can have a positive impact on children's development, particularly those from disadvantaged backgrounds or with a disrupted home environment. The benefits can be felt through both education and safeguarding. It is therefore concerning to see that market pressures have impacted providers in disadvantaged areas even more. Ofsted figures show that between 2021–2022, the least deprived areas had a greater decrease in the number of providers, compared with the most deprived areas. As of March 2022, 16% of providers were located in the most deprived areas, compared with 22% in the least deprived areas.[72] Research conducted for the Greater London Authority in 2021 found that 70% of nurseries in disadvantaged areas of London defined themselves as 'struggling', against 59% in more affluent areas.[73] Our witnesses told us that chronic underfunding of the funded hours entitlements was a key cause of these disparities. It is therefore questionable whether the ECEC market will be able to deliver on the proposals in the Spring Budget without additional support, let alone deliver them equitably. More support is urgently needed for the supply side of the childcare market. The key avenues this inquiry identified as needing change are outlined below.

Funding

Early Years Entitlements

24. The Government funds local authorities to deliver the early years entitlements. The funding is calculated using the early years national funding formula (EYNFF) for the 3- and 4-year-old entitlement and a separate formula for the 2-year-old entitlement.[74] The actual funding rate paid to early years providers in an area is determined by the local authority, within a statutory framework. Local authorities are required to consult

69 Summary of written evidence submitted by parents (CEY1716)
70 Summary of written evidence submitted by parents (CEY1716)
71 HM Government, *Childcare and early years survey of parents* (August 2022)
72 Ofsted, *Main findings: childcare providers and inspections as at 31 March 2022* (June 2022)
73 Greater London Authority, Early Years Alliance, CEEDA, *The business support needs of London's early years sector and how they can be met* (November 2020), p 11
74 Department for Education, *Early education and childcare* (April 2023), p 45

providers on annual changes to the local formula.[75] In 2021/22, around £2.2 billion was allocated for the 15 hours universal entitlement for 3- and 4-year-olds and £837 million for the extended 30 hours entitlement. The equivalent allocations for 2022/23 were £2.3 billion and £894 million respectively.[76] The allocations for 2023/24 have been outlined in the Spring Budget and will be discussed below.[77]

25. 'Free hours' entitlements are, however, in the words of the Confederation of British Industry (CBI) "chronically underfunded".[78] Providers told us that they are losing on average around £1–2 an hour by delivering the funded places.[79] They are also knowingly underfunded. Data obtained by the Early Years Alliance from the DfE through a Freedom of Information request in 2018 shows that the Department knowingly underfunded the funded hours entitlements. The data revealed that, at the time of the 2015 Spending Review, government officials predicted that the hourly cost to providers of delivering a funded hours entitlement place for a 3- or 4-year-old would reach £7.49 by 2020/21. But during the 2020/21 financial year, the average hourly funding rate for a 3-and 4-year-old place was £4.89, a shortfall of £2.60 per hour.[80] A 2022 research report for the DfE found that for all ECEC provider types, and for all age groups within those providers, the mean hourly funding rate for the funded entitlements was lower than hourly parent-paid fees in 2019. This gap continued to widen between 2019 and 2021.[81]

26. This funding gap continues to be a key contributing factor to the current ECEC market struggles. Providers were forced to fund the deficit themselves, at the expense of staff wages and being able to invest in quality development. This meant that providers were offering fewer funded places. Little Faces Childcare was among many providers who told us that they cannot afford to give funded places, as "it would be financial suicide".[82] We heard that many of the providers who do still offer funded places were forced to supplement the deficit in other ways. Providers are not allowed to charge top-up fees, but are allowed to charge for extra hours, consumables and activities.[83] As a result, parents were paying often considerable extra costs to access the 'free hours' entitlements, such as a "consumables contribution".[84] Some childminders in our roundtable called for more leniency to charge top-up fees as a means to address the funding deficit, with one saying, "You have got to, we cannot do it any other way".[85] Other providers were feeling this difficulty keenly, and did not like having to pass these costs to parents. Carousel Day Nursery and Pre-School stated, "We should not have to make up figures for parents, charging for consumables way beyond what it actually costs to provide food or wipes, or charging for additional hours".[86]

75 Education & Skills Funding Agency, *Early years entitlements: local authority funding of providers operational guide 2022 to 2023* (November 2021)
76 *Early Years Funding (England),* Standard Note SN8052, House of Commons Library, December 2022, p 9; Education & Skills Funding Agency, 'Dedicated schools grant (DSG) 2022 to 2023', accessed 7 July 2022
77 HM Treasury, *Spring Budget 2023* (March 2023), p 54
78 CBI (CEY1545)
79 Puffins of Exeter Ltd (CEY0027); Georgie's childcare (CEY0338); Forest Footsteps Childcare (CEY0407)
80 Early Years Alliance (CEY1139); Early Years Alliance, 'New data shows ministers knew early years was underfunded', accessed 7 July 2023
81 Department for Education, *Providers' finances: survey of childcare and EY providers 2021* (April 2022), p 11
82 Little Faces Childcare Ltd (CEY0012)
83 Department for Education, *Early education and childcare* (April 2023), pp 13–14
84 Mrs Jackie Fallowfield-Cooper (owner/Director/Manager at K2 Pre-School Academy) (CEY0959)
85 Childminder Roundtable Summary (CEY1724)
86 Carousel Day Nursery & Pre-school Ltd (CEY0769)

However, they felt that they had no other choice, as the alternative was to operate at a loss. We also heard that the funding deficit could be addressed by properly funding the childcare entitlements.

27. This chronic underfunding is a significant causal factor in the increasing rate of provider closures. Research by the National Day Nursery Association in March 2023 concluded that Government's underfunding of childcare places in England has led to an 87% increase in nursery closures, with the average setting losing more than £32,000 a year just for their 15-hour funded places for 3- and 4-year-olds.[87] Emma Gardner, Quality Manager at Spring Nurseries by Action for Children, said that the number of funded places in settings will "reduce dramatically because it's just not sustainable".[88] This was particularly damaging for providers working in deprived areas where parents find it harder to pay supplementary costs. The YMCA England & Wales told us that in deprived communities, where the majority of families only access funded childcare places, "all too often there is no choice but to operate at a loss".[89] Neil Leitch from the Early Years Alliance told us he had closed over half of his 60 early years settings in areas of deprivation because "We have a disproportionate number of parents who take just the free entitlement".[90]

28. As a result, the proposals to widen the coverage of subsidised hours in the Spring Budget were met with alarm by many who felt that an expansion of funded hours entitlements at the current level of funding would not be sustainable. This was expressed strongly during our roundtable with childminders. One participant told us that "The recent budget has crippled childminders like me and my daughter" as the Government was "forcing" them to deliver on the policy while paying a "very unrealistic amount per hour".[91] The IFS noted that new childcare support has "effectively established a new arm of the welfare state", with Whitehall now in charge of 80% of all pre-school childcare in England (up from 50%) and commented that there would be "severe consequences from getting the funding rate wrong".[92] Professor Rabe from the Institute for Social and Economic Research also commented that disparities between affluent and deprived areas were likely to widen as a result of the Spring Budget announcements.[93]

29. The Government has pledged money in the Spring Budget to address the funding deficit for existing entitlements, with £204 million allocated for 2023–24, increasing to £288 million in 2024–25.[94] According to analysis by the IFS, this extra funding represents "a 7.5% uplift on the current budget - broadly in line with the expected increase in providers' costs over the next two years". However, it also noted that since 2017–18, the sector had "absorbed a 13% real cut when adjusted for the cost of inflation".[95] Therefore, these funding increases may not be enough to ensure the sustainability of the market as it expands to meet the rising demand for funded placements. In fact, the Women's Budget Group challenged whether the amount allocated in the Budget would be sufficient. Its analysis suggested that an investment of £1.8bn was required to plug the funding shortfall

87 National Day Nurseries Association, 'Childcare crisis: 98.4% of nurseries losing £1000s due to funding shortfall', accessed 7 July 2023
88 Q85 [Emma Gardner]
89 YMCA England & Wales (CEY1570)
90 Q21 [Neil Leitch]
91 Childminder Roundtable Summary (CEY1724)
92 Institute for Fiscal Studies, *Changes and challenges in childcare* (March 2023), p 11
93 Q220 [Professor Rabe]
94 HM Treasury, *Spring Budget 2023* (March 2023), p 54
95 "*Childcare reforms*", Institute for Fiscal Studies press release, 15 March 2023

for existing funded entitlements. It also estimated that an additional £5.2bn would be needed for the new proposed expansion to younger years.[96] However, in oral evidence, Christine Farquharson from the IFS cautioned against setting the funding rate too high in the mixed economy of childcare where quality and prices are difficult to observe, as there is a "risk of inefficient public spending" without commensurately increasing quality.[97]

30. Minister Coutinho told us that the Government intends to publish a consultation before the summer to set out the 2024–25 rates.[98] Susie Owen, Director of Early Years, Childcare, Families and Analysis at the DfE, said that the Department would "engage extensively with local authorities and their provider base" to understand market challenges.[99] As Farquharson noted, engaging effectively with the sector in setting the funding rate will be "crucial".[100] However, Farquharson said that she understood why, given the "piecemeal" way in which funding rates had been managed in the past, settings may be disinclined to trust the process. They do not know, she said, that the "funding rates going forward will be carried out in a more sensible, evidence-based and consistent way that will allow them to anticipate, act on that and make sound business decisions."[101] It will be important for this engagement process to be open, collaborative, and to truly reflect the current and future business concerns from this vital sector.

Local authority administration

31. Providers were also critical of the fact that local authorities are allowed to retain as much as 5% of the funding for the universal and extended 3–4 year old entitlements to account for administration costs.[102] Tops Day Nurseries told us that local authorities 'top-slicing' has been "detrimental" to early years funding.[103] The Day Nursery Peterborough called for this to stop, noting that it was expensive way of administrating and "overcomplicates the system".[104] We heard that it is also leading to underspending in the early years entitlements. Research by the National Day Nurseries Association (NDNA) found that most Local Education Authorities (LEAs) reported large underspends of funding earmarked for ECEC through the universal and extended entitlements between 2019–2022. A total of 92 of LEAs (62%) reported an underspend, totalling £45.8 million at the end of the financial year 2021/22. A third of this unspent money, totalling £15.1m from 30 LEAs, went back into their reserves.[105]

32. When questioned on this topic, Minister Coutinho noted that on average, the amount that local authorities retain is less than 5% now and generally kept aside to account for children coming into the system at different times. However, she also said that the Department will "keep a close eye" on the situation.[106] Susie Owen, DfE, said that the consultation on funding rates would seek views on the funding local authorities

96 Women's Budget Group, *Women's Budget Group response to the Spring Budget 2023* (March 2023), p 8
97 Q193 [Christine Farquharson]
98 Q251 [Claire Coutinho]
99 Q252 [Susie Owen]
100 Q216 [Christine Farquharson]
101 Q216 [Christine Farquharson]
102 Education & Skills Funding Agency, *Early years entitlements: local authority funding of providers operational guide 2022 to 2023* (November 2021)
103 Tops Day Nurseries (CEY1357)
104 Mrs Blyth (Nursery Owner at The Day Nursery Peterborough Ltd) (CEY0885)
105 National Day Nurseries Association, *Early Years Funding 2021/22: Local Authority Underspends, Overspends and Adjustments* (April 2023), p 3
106 Q249 [Claire Coutinho]

are permitted to retain.[107] Prime Minister Rishi Sunak was also questioned on this by the Liaison Committee on 4 July 2022. He said, "I will go back and make sure that the money is flowing as it is intended to, but it has certainly been announced and put aside".[108] This was encouraging to hear and should be followed through.

Childcare infrastructure

33. Local authorities told us that they were experiencing difficulties in ensuring that there were sufficient childcare places in their areas. As previously mentioned, under the Childcare Act 2006 and the Childcare Act 2016, local authorities are required to secure sufficient childcare for working parents, or parents who are studying or training for employment.[109] Devon County Council highlighted that while this sufficiency duty sat with the local authority, providers had no duty to ensure sufficient childcare. The Council said that local authorities endeavoured to keep settings open and ensure there was sufficiency, but there were restrictions on the use and quantity of nationally allocated funding that they could offer. Devon County Council called this a "vicious cycle".[110] Bristol City Council raised concerns that the rising cost of delivery had resulted in a marked increase in providers scaling back places or closing altogether, and noted that this was creating serious issues in providing sufficient childcare places.[111] London Councils also highlighted that many boroughs have reported that local providers were struggling financially and there were concerns about the loss of flexible, affordable providers in areas with higher levels of deprivation.[112]

34. Local authorities can use funding they receive through the Community Infrastructure Levy (CIL) from developers to meet their statutory duty to provide childcare places. The CIL is a charge that local planning authorities can choose to levy on new developments within their area in order to raise funds to help them deliver infrastructure, facilities, and services such as schools.[113] The Government highlighted the importance of the CIL in helping local authorities deliver the infrastructure needed to support new development in their area.[114] Local authorities choose how to spend the funds they receive through the CIL. Currently, the CIL can be used to fund infrastructure, including schools and other educational facilities, with childcare and early education falling under the scope of 'other educational facilities'.

35. Through the Levelling Up and Regeneration Bill 2022–23, the Government aims to replace the CIL with a new 'Infrastructure Levy (IL)'.[115] IL rates would be set by local authorities but charging the IL would be 'mandatory'. Schedule 12 of the Bill sets out what infrastructure local authorities could spend IL receipts on, including schools and other educational facilities. The Bill would also give the Government the power to make

107 Q250 [Susie Owen]
108 Oral evidence taken before the Liaison Committee on 4 July 2023, HC (2022–2023) 1602, Q106 [The Prime Minister]
109 Department for Education, *Early education and childcare* (April 2023); Childcare Act 2006, section 5a; Childcare Act 2016, section 1
110 Devon County Council (CEY1558)
111 Bristol City Council (CEY1456)
112 London Councils (CEY1301)
113 Department for Levelling Up, Housing and Communities and Ministry of Housing, Communities & Local Government, *Community Infrastructure Levy* (January 2023)
114 Planning Act 2008, Section 216; Department for Levelling Up, Housing and Communities and Ministry of Housing, Communities & Local Government, *Community Infrastructure Levy* (January 2023)
115 Levelling Up and Regeneration Bill, Clause 129 and 131 and Schedule 12 [HL Bill 152 (2022–23)]

regulations to allow local authorities to spend IL funding on non-infrastructure projects; the government has suggested "such non-infrastructure items could include funding for important local services, like social care or childcare".[116] However, if childcare and early education was specifically listed within the Bill, then this would encourage the new levy to be used on childcare, and better support local authorities in meeting their statutory duty.

36. We also heard that some providers had experienced difficulties in setting up their businesses in rental properties. Ofsted requires all childminders in a rented property to have written permission from their landlord before registering. We were told that this had been a barrier to many childminders setting up their business. English National Housing Survey data from the Department for Levelling Up, Housing & Communities (DLUHC) in 2021–2022 showed that the private rented sector accounted for 19% of households, and the social rented sector accounts for 17%.[117] According to data collected by Tiney, a Childminder Agency, landlord and local authority objection was the second most cited reason for prospective childminders dropping out of training, totalling 12% of those who left the process.[118] Adam Hawksbee from Onward also stressed that "we need to do something about landlords and how they interact with childminders" as there is evidence that "for a significant number of childminders that are going out of business, it is due to landlords changing the terms of their licence".[119] When questioned on this topic, Minister Coutinho told us she was aware of the issues and was "keen to explore this area".[120]

37. **The childcare market is struggling, with unprecedented numbers of Early Childhood Education and Care (ECEC) professionals leaving the sector and parents struggling to find appropriate care across the country. The Spring Budget expansions of the funded entitlements place further demand on a struggling sector. To successfully deliver the Budget proposals, the sector needs radically more financial and regulatory reform, including, most importantly, a sufficient funding rate for the funded entitlements.**

38. ***The Department for Education should work closely and consistently with childcare providers and local authorities from across the country to set the funding rate at a sufficient level. Given that most childcare places will soon be government-funded, it is vital that the Department gets this right, or the already struggling childcare market will see even more closures.***

39. ***We recommend the Government consider the case for greater ring-fencing of the Early Years block of each local authority's Dedicated Schools Grant to ensure that more is passed on to the early years providers who are delivering the funded hours entitlements.***

40. ***We recommend Government work closely with local authorities to identify areas where childcare provision is insufficient and with a view to increasing provision in these areas. It could be useful to begin with a focus on Education Investment Areas (EIAs).***

41. ***We recommend the Government consider explicitly including childcare and early education as a category in the list of infrastructure set out in the Levelling Up and***

116 Department of Levelling up, Housing and Communities, *Technical consultation on the Infrastructure Levy*, (March 2023); HC Debate [Levelling-up and Regeneration Bill] 13 December 2022, c962

117 Department for Levelling Up, Housing & Communities, *English Housing Survey 2021- to 2022: headline report* (December 2022)

118 Tiney Limited (CEY1626)

119 Q229 [Adam Hawksbee]

120 Q291 [Claire Coutinho]

Regeneration Bill 2022–23. This would enable funding received through the levy to be allocated to childcare and early education and support local authorities to meet their statutory duty on providing sufficient childcare places.

Tax

Business rates

42. Providers highlighted that the business rates that they paid were generally high because of the per-child indoor space requirements outlined in the Early Years Foundation Stage (EYFS) Statutory Framework.[121] Despite this, nurseries for pre-school age children in England do not qualify for any specific business rate relief scheme.[122] Some nurseries may qualify for charitable rate relief if they are voluntary organisations, or small business rate relief if their property's rateable value is less than £15,000.[123] However, according to the NDNA this does not apply to a majority of private day nurseries.[124] Local Authorities have the power to grant discretionary rate relief, but as commented by the Federation of Small Businesses, "they are unlikely to do" as "budgets are already being squeezed".[125] Little Jungle, a nursery, stated that this effectively means nurseries are "being penalised for giving children space".[126] Many providers highlighted the impact that business rates have on their overall costs. Children's House Childcare said that business rates were a barrier to sustainability.[127] Tops Day Nurseries added that the absence of relief does not support the sector in paying the workforce at a rate which reflects their value to society and impact on the economy.[128]

43. During the COVID-19 pandemic, nurseries were given a business rate holiday from March 2020 until June 2021, followed by a 66% rate relief until March 2022.[129] These measures were widely welcomed, but they were time-limited and many providers have since struggled with high rates amid other rising cost pressures. In particular, the business rate revaluation in April 2023 hit providers hard.[130] Initial findings from research conducted by the NDNA suggests providers are facing increases of 40–50%.[131] We also heard this directly from Gemma Rolstone from Puffins Childcare, who said that the business rate for four of her settings last year were £55,936, but after April 2023 this bill rose to £84,096. She said, "I'm not entirely sure that will work".[132] Worcestershire Independent Providers also told us that they faced business rate bill increases of 35% and 48% in their two nursery schools.[133]

121 Department for Education, *Statutory framework for the early years foundation stage* (March 2021), p 35
122 HM Government, 'Business rates relief', accessed 7 July 2023
123 HM Government, 'Business rates relief, Charitable rate relief'; HM Government, 'Business rates relief, Small business rate relief', all accessed 7 July 2023
124 National Day Nurseries Association (CEY1568)
125 Federation of Small Businesses (CEY1340)
126 Little Jungle - School of Early Childhood (CEY0008)
127 Children's House Childcare Ltd (CEY0026)
128 Tops Day Nurseries (CEY1357)
129 "*Schools, colleges and early years settings to close*", Department for Education press release, 18 March 2020; Ministry of Housing, Communities & Local Government, *Business rates: nursery (childcare) discount 2021 to 2022 – local authority guidance* (March 2021)
130 "*Business rates revaluation 2023*", Valuation Office Agency news story, 17 November 2022
131 National Day Nurseries Association (CEY1568)
132 Q72 [Gemma Rolstone]
133 Alice J Bennett (Chair at Worcestershire Independent Providers) (CEY1725)

44. Many providers commented that business rates disproportionately affect Private, Voluntary and Independent (PVI) providers, as many Maintained Nursery Schools (MNS) also benefit from local authority support with their business rates costs. DfE admitted "It is true that school based nurseries may benefit from a small degree of cross-subsidy in their core schools funding allocation", through which the school receives funding for business rates. DfE noted that this tends to be because they have "high unit costs, principally related to staffing".[134] MNS settings are required to have a head teacher who is an early years specialist and at least one teacher with qualified teacher status (QTS).[135] However, we heard from Dr Julian Grenier from Sheringham Nursery School and Children's Centre that many MNS settings are also wrestling with business rates. Not all local authorities exempt MNS settings from rates, and when they do, the money saved is often returned to the school's main budget.[136]

45. Reintroducing business rate relief for all nursery settings was widely recommended by many of our witnesses. Contributors said that this would enable settings to invest in growing their business. We heard that business rates can penalise providers who are looking to expand their business. Kara Jewell from Sparkle Lodge Early Years spoke about a case where a provider tried to expand in response to the new 30-hours entitlement introduced in 2017 but was faced with a doubling of business rates for a space increase of only 10%.[137] Joeli Brearly, CEO of Pregnant then Screwed, a charity that supports working mothers, also commented that "Providers have a very limited ability to expand" and that "Removing business rates for providers that are not for profit, or providers that have a certain percentage of funded places, would be helpful", particularly for settings in deprived areas.[138]

46. We also heard that business rate relief would help providers with staffing costs. Bright Horizons, a network of nurseries, recommended that business rate relief is introduced for nurseries to allow for greater investment in staffing.[139] Providers want to pay their staff more. In November 2022, NDNA published survey results with responses from 782 nurseries across England who were asked what they would do if they no longer had to pay business rates. Of those surveyed, 61% would increase staff salaries, 49% would reduce losses in the business, and 40% would mitigate fee increases to parents.[140] As will be discussed in the Chapter 5, higher pay is key to attracting well-qualified professionals into the space. MNS settings are given support with business rates to reflect for the higher staffing costs of having well-qualified teachers. Given that the recent expansion of childcare support in the Spring Budget will see the Government funding up to 80% of the childcare market, it seems fitting that the PVI settings that will deliver these hours are also supported in developing a better qualified workforce.[141]

134 Department for Education (CEY1723)
135 Department for Education, *Maintained nursery schools: contribution to early years provision* (April 2019), p 9
136 Q78 [Dr Grenier]
137 Q73 [Kara Jewell]
138 Q143–144 [Joeli Brearly]
139 Bright Horizons UK (CEY1593)
140 National Day Nurseries Organisation, 'Nurseries could pay staff more if they didn't have to pay business rates', accessed 7 July 2023
141 Institute for Fiscal Studies, *Changes and challenges in childcare* (March 2023), p 9

Value Added Tax

47. Maintained Nursery Schools are zero-rated for VAT, meaning that they do not charge VAT on their services, and they can claim back VAT on business purchases through the local authority. PVI settings are VAT exempt, meaning that they do not charge VAT, but must pay it on business purchases. Many providers have commented on this disparity and noted that that it drives up costs. Puffins of Exeter was unequivocal: "This cost is added to fees".[142] VAT charges may also prevent settings from investing in expansion. Worcestershire Independent Providers told us that VAT charges had prevented them from moving ahead with their planned property extension.[143] When questioned about this issue, Minister Coutinho said, "We do factor that into our funding rate to make sure that people are suitably funded".[144] She also noted that the Department will be looking at these rates in the forthcoming consultation on funding rates.[145] However, others are calling for more fundamental reform. The NDNA has called for a full review of the VAT status of early years providers.[146] Tops Day Nurseries said that "either full relief or at least partial exemption based on funded income should be considered".[147] Little Faces Childcare argued that full relief would allow providers to pass on savings to parents.[148]

48. ***The Government will soon be funding up to 80% of all childcare places in England, up from 50% before the Spring Budget.***[149] ***In recognition of this, and the public benefit that the whole early years sector is providing, the HM Treasury should grant all early years providers an exemption from business rates. Private, Voluntary and Independent (PVI) settings should also be zero-rated for VAT. We heard that VAT costs and business rates facing ECEC settings are taken into account in the DfE's process of setting funding rates. Following these proposed changes, DfE should not account for any cost savings gained from VAT and business rate exemptions in their calculation of the funding allocations for local authorities. This would allow savings to be channelled back into the settings in recognition for the need for a more qualified (and therefore expensive) workforce. The benefits to retention and development of staff, affordability for parents and expansion of places for children will substantially outweigh the costs of these changes.***

Childminders

49. Childminders are early years practitioners who work with a smaller group of children in their own home. They must be qualified to Level 3 and undertake the same mandatory training as other providers, including training on implementing the Early Years Foundation Stage (EYFS) statutory framework. They form a large and valuable part of the provider market for ECEC. Of the 59,400 early years providers in 2022, 28,200 were childminders. As childminders take a smaller number of children, they supply 170,000 of the 1.54 million childcare places in England.[150] Childminders can offer a unique and

142 Puffins of Exeter Ltd (CEY0027)
143 Alice J Bennett (Chair at Worcestershire Independent Providers) (CEY1725)
144 Q270 [Claire Coutinho]
145 Q271 [Claire Coutinho]
146 National Day Nurseries Association (CEY1568)
147 Tops Day Nurseries (CEY1357)
148 Little Faces Childcare Ltd (CEY0012)
149 Institute for Fiscal Studies, *Changes and challenges in childcare* (March 2023), p 9
150 This survey excludes childminders who are registered with a Childminder Agency; HM Government, *Childcare and early years providers survey* (December 2022)

personal type of childcare that may be more appropriate for some children.[151] They are also able to offer more flexibility than group-based providers, for example, giving care to families with shifts and offering extended wraparound care such as support with the school run.[152]

50. However, the number of childminders has been declining more rapidly than other provider types. According to Ofsted's inspection findings in 2022, most of the decline in childcare providers was due to childminders leaving the sector. In 2022 there were 48% (27,800) fewer childminders registered with Ofsted than in 2012. Fewer new childminders are joining the sector as well. Since August 2021, around 1,500 childminders joined Ofsted registers, while 5,600 left.[153] Kara Jewell from Sparkle Lodge Early Years told us, "When I started there were about 60,000 childminders. Within 10 years that is set to be 1,000. It is a real worry".[154] Cash incentives for new childminders joining the market were announced in the Spring Budget, with £600 for childminders joining with Ofsted, and £1,200 for those joining with a Childminder Agency (CMA).[155] CMAs are organisations that register and quality assure childminders on behalf of Ofsted. They also provide business support and continuous professional development.[156] However, we heard from childminders at our roundtable that these start-up grants would not be enough, with one participant saying that it "won't even buy the pushchair and the car seats that childminders need". Childminders in the roundtable also raised concerns that that the Government's focus was on recruitment over retention.[157] We have identified a number of structural issues facing childminders, including barriers to entry and barriers to retention.

51. We also heard that childminding can be a lonely profession. As a result of their self-employed status, many childminders operate alone and can lack professional support networks. They also lack support in the administrative tasks such as completing paperwork or meeting inspection requirements.[158] The Social Mobility Commission's 2020 report found that childminders felt less supported than their peers working in group-based settings. The lack of support is more difficult for new childminders.[159] According to Tiney, a CMA, loneliness can be a barrier to retention in the sector.[160] Working from their own home can also be wearying for childminders. The Social Mobility Commission also reported that childminders can find the lack of physical separation between work and home especially challenging. Childminders were described as wanting "their house back" from the toys and posters.[161]

52. To tackle this, one of our witnesses from the think tank Policy Exchange, recommended that regulations on how childminders operate outside of the home should be relaxed and adapted to mirror the French model of 'maisons d'assistants maternels (MAMs)' that was introduced with "huge success" in 2010.[162] MAMs were designed as

151 Childminder Roundtable Summary (CEY1724)
152 Q5 [Helen Donohoe]; Q89 [Kara Jewell, Gemma Rolstone]
153 Ofsted, *Main findings: Childcare providers and inspections as at 31 August 2022* (March 2023)
154 Q70 [Kara Jewell]
155 Department for Education, 'Childminder grants scheme update: April 2023', accessed 7 July 2023
156 Department for Education, *Childminder agencies: a guide* (October 2021), p 18
157 Childminder Roundtable Summary (CEY1724)
158 Dr Verity Campbell-Barr (Director of Plymouth Institute of Education and Associate Professor in Early Childhood at University of Plymouth) (CEY1554)
159 Social Mobility Commission, *The stability of the early years workforce in England* (August 2020), pp 51–52
160 Tiney Limited (CEY1626)
161 Social Mobility Commission, *The stability of the early years workforce in England* (August 2020), p 39
162 L'assmat, *Vers un nouveau référentiel pour les MAM en septembre* (June 2022); Policy Exchange (CEY1531)

places where childminders can practice their profession outside the home. In MAMs, groups of up to four childminders can operate together out of specific centres. The French Ministerial guidance for MAMs states that this could provide a solution to the loneliness felt by childminders, give childminders the possibility to work even if their domestic arrangements might not be compatible with the role, and make up for a lack of suitable childcare in a region or neighbourhood.[163] In the UK, where three or more childminders operate together in a home-based setting, they must register with Ofsted not as childminders but as a provider of 'childcare on domestic premises' and can only spend up to 50% of their time on non-domestic premises.[164] Childcare providers have to register separately to provide more than 50% of their childcare on non-domestic premises.[165] Policy Exchange recommend eliminating the 50% time requirement for specific premises designated 'childminder hubs'.[166] Minister Coutinho raised the example of MAMs and noted that she is "very keen" to look at changes that can support people setting up childminding businesses.[167]

53. We also heard from Koru Kids, another CMA, that enabling CMAs to register part-time home childminders would increase the supply of part-time childcare. It argued that more part-time home childminders could provide a solution to the lack of flexible wraparound options available to parents who wish to take up the funded hours entitlements, but who need relatively few hours, for example, before and after school. It is possible to register as a part-time childminder through Ofsted. The minimum time requirement for an individual to be classified as a childminder is 2 hours per day.[168] Childminders who work less than 3 hours per day, 5 days a week, or 45 weeks a year are also entitled to a reduced joining fee of £35 for the Ofsted's Early Years Register.[169] Koru Kids argued that they could do this "far more cheaply" than an individual seeking registration independently through Ofsted. Koru estimated that registering with Ofsted typically costs almost £500, including the background checks, mandatory training and insurance, whereas it could offer this for £150. It is worth noting that while registration costs may be lower with a CMA, the yearly fees are higher.[170] Tiney pointed out that CMAs shoulder the financial cost of providing yearly quality assurance inspections for the childminders in their agencies.[171] It is possible that this is contributing to the higher fees.

54. Another argument we heard from childminders was that parents were unable to claim funded hours when their child was looked after by a registered childminder who was also a relative. Participants in our childminder roundtable said that this leads to children leaving settings where they are otherwise comfortable, a "very upsetting" process, that

163 Monenfant, MAISON D'ASSISTANTS MATERNELS (MAM) (February 2019); Policy Exchange, *Better Childcare* (August 2022), p 37
164 Ofsted, 'Childminders and childcare providers: register with Ofsted, Working in different settings', accessed 7 July 2023
165 Ofsted, 'Childminders and childcare providers: register with Ofsted, Nurseries and other daycare (childcare on non-domestic premises): registration', accessed 7 July 2023
166 Policy Exchange (CEY1531); Policy Exchange, *Better Childcare* (August 2022), p 40
167 Q272 [Claire Coutinho]
168 HM Government, 'Become a childminder or nanny', accessed 7 July 2023
169 Ofsted, 'Childminders and childcare providers: register with Ofsted, Childminders and childcare on domestic premises: registration', accessed 7 July 2023
170 Ofsted, 'The difference between registering with Ofsted or a childminder agency', accessed 7 July 2023
171 Tiney Limited (CEY1626)

was labelled "ridiculous". One childminder told us that when her nephew turned three "he had to leave me because his mum could not claim the funding because he was with a relative".[172]

55. ***We recommend the Government work to remove or reduce the barriers preventing childminders setting up or continuing in businesses and consider developing more incentives to grow this market. It could do this, for example, by***

a) Allowing childminders to work together in settings outside their own home, following the French model of maisons d'assistants maternels (MAMs).

b) Working with the Department of Levelling up, Housing and Communities (DLUHC) to remove barriers to childminders setting up businesses in rented properties. If this cannot be done through a voluntary process in which Registered Social Landlords and local authorities create a specific exemption for childminding businesses, then the DLUHC should consider legislation.

c) Permitting parents to claim funded hours for their child if they are cared for by a registered childminder who is also a member of their extended family. An exemption for a childminder's own children is understandable but it is unclear why grandchildren, nieces and nephews need to face the same barriers.

d) Allowing Childminder Agencies to register part-time childminders and considering the balance of costs between Childminder Agency and Ofsted registration costs and fees.

172 Childminder Roundtable Summary (CEY1724)

3 Support for parents and families

56. The unusually large number of written evidence submissions that we received from parents and carers during this inquiry is indicative of the importance of the childcare system for so many.[173] These submissions were received before the Spring Budget announcements on 15 March, and as such reflect some of the issues that the Budget attempted to address. We heard emotive testimonies about high costs, lack of availability, and the staffing crisis in the sector and the impact these have on parents, carers, and their children. Additionally, parents found the Government support system overly complex and difficult to access. Even when accessed, we heard that the support offered was often inadequate to counter the high costs and lacks flexibility.

57. The proposals in the Spring Budget under the indicative category of 'parents' do answer some of the calls from parents and organisations for more childcare support and choice. Support for wraparound care and the increase in the 30-hours policy were particularly well-received. The key aim of the funding increases, as indicated in the Chancellor's Spring Budget speech on 15 March 2023, was to support parents who wish to return to work.[174] As outlined in Chapter 1, many parents that we heard from in this inquiry are calling for this support. They wanted to have the choice of working more hours, developing their career, or providing more for their family. The economic argument has also been made, with a 2021 report by PWC titled 'Women in Work' estimating that the UK could gain £48bn per annum from increasing female labour force participation rates to match those of the Southwest–a consistent top regional performer for female participation in the UK index.[175] The expansion of the funded hours policy was also the policy that the Office for Budget Responsibility said will be the key driver in getting parents back into work, with "by far the largest impact on the potential output in this Budget". By 2027–28, it anticipated it would result in "around 60,000" people entering employment for at least 16 hours a week.[176] It is not clear whether this increase, at a cost of £4bn to the public purse, will be generate the desired impact.

58. However, many organisations, such as the Sutton Trust, said that the funding commitments while "welcome and long overdue" do not go far enough, and were "unlikely to be sufficient for provision to be expanded".[177] Even more say that further fundamental reforms to the entitlement system and wider parental support services are needed to ensure that the Spring Budget funding pledges have the impact the Government intends. For example, Pregnant Then Screwed, a campaign organisation supporting mothers, was "elated" at the Budget commitments but commented on continued problems with complexity, limits on using the funded entitlement for study or training, and the amount pledged to bridge the funding gap for providers.[178] We also heard calls for more holistic support through children's centres to support parents.

173 Summary of written evidence submitted by parents (CEY1716)
174 HM Treasury, 'Spring Budget 2023 Speech', accessed 7 July 2023
175 PWC, *Women in Work Index 2021* (March 2021), p 8
176 Office for Budget Responsibility, *Economic and Fiscal Outlook* (March 2023), p.21
177 Sutton Trust, 'Sutton Trust responds to childcare announcements in the Spring Budget', accessed 7 July 2023
178 Q122, Q124 [Joeli Brearly]

Affordability

59. The most common concern from parents and carers was the high and rising cost of childcare. Current prices were described as "crippling", "obscene", "unaffordable" and "extortionate", especially in relation to rising household bills amid the cost of living crisis. Parents reported having to reduce their working hours, buy less food, take lower paying jobs, or not have more children in order to meet childcare costs.[179] As a result, as Coram noted in its 2023 Childcare Survey, "many families are facing the paradoxical situation where they can't afford not to work but childcare costs mean that they can't afford to work".[180]

30-hours entitlement

60. The main avenue for Government-provided support for childcare costs is through the entitlements listed in Chapter 1, particularly the extended '30-hours' or '30-free-hours' entitlement for 3- and 4-year-olds. As of January 2022, an estimated four in five eligible children were registered for a 30-hours place.[181] The lack of support for children between the end of maternity and paternity leave and the start of the 30-hours offer was highlighted as a considerable barrier to work for many parents, one of whom wrote to us saying:

> The lack of provision prior to age 3 […] has meant we are unable to expand our family as desired as I cannot afford maternity leave and nursery fees, nor can we afford to lose my son's place. I have had to adjust my working hours to maximise efficiencies in the childcare hours.

61. Many parents and organisations representing parents had advocated for an expansion to the 30-hours entitlement to include younger children as a means to tackle high childcare costs and as such welcomed the announcement in the Spring Budget.[182] Megan Jarvie from Coram Family and Childcare said that investment on the scale now seen in the Spring Budget in expanding the funded hours entitlements was "great news for families struggling currently with childcare bills".[183] However, we heard concerns that many parents still struggle with affordability even with the extended 30-hours offer. This is because it is only offered in 'term time', for 38 weeks of the year, and therefore excludes school holidays. Some providers who operate all year round spread the funding equally throughout the year, which equates to 22 hours per week.[184] Additionally, as discussed in Chapter 2, despite prohibitions on doing so, we heard that some childcare providers are forced to charge 'top-up' fees for parents taking up the offer, or charge extra for additional hours, as funding for the 'free hours' is lower than the cost of delivery.[185] One parent outlined the problems in detail:

179 Summary of written evidence submitted by parents (CEY1716)

180 Coram Family and Childcare, *Childcare Survey 2023* (March 2023), p 4

181 Department for Education, 'Education provision: children under 5 years of age', accessed 7 July 2023

182 Summary of written evidence submitted by parents (CEY1716); Single Parent Rights (CEY0949); Save the Children UK (CEY1343); Bristol City Council (CEY1456); Gingerbread (CEY1485)

183 Coram Family and Childcare, 'Coram Family and Childcare responds to the Chancellor's Budget', accessed 7 July 2023

184 Mrs Blyth (Nursery Owner at The Day Nursery Peterborough Ltd) (CEY0885)

185 "Nursery top-up fees probe prompts England-wide warning", BBC, 28 January 2021 ; Department for Education, 'Free childcare: How we are tackling the cost of childcare', accessed 7 July 2023; Childminder Roundtable Summary (CEY1724); Department for Education, *Free early years provision and childcare: model agreement* (March 2017), p 12

> The 30 hours entitlement does not do nearly enough to cover childcare costs in reality […] 30 hours for only 38 weeks of the year creates a significant gap in funding. Plus our nursery has to charge a small extra top up fee for each of the 30 hours to cover the actual costs, so for parents the 30 hours scheme falls far short of what is needed.

62. Many parents therefore felt that the 30-hours policy had been "mis sold" or was a "misnomer", as very few working lives are centred around school terms. The entitlements are often referred to as 'free hours' as well. Parents appeared frustrated, noting that the '30-free-hours' were not 30-hours and were not free, with one parent saying that "the 30 hours scheme is ludicrous".[186] Providers also told us about the difficulty of explaining this situation to parents: Georgie's Childcare said that doing so puts the organisation's integrity into question and "make us look awful".[187] Many parents and childminders called for the policy to be renamed to 'funded' hours to prevent confusion.[188]

63. The logistical complexities of claiming the 30-hours entitlement also made it difficult for many parents to access. A child is eligible for the 30-hours offer from the term after their 3rd birthday. Eligible parents must apply for a 'code' to access the entitlement around 4–10 weeks before the start of the term in which they wish to take that offer up. As Christine Farquharson, Associate Director at the Institute for Fiscal Studies pointed out, this means parents need to be working 4 -10 weeks before being able to access any childcare support. She noted that "there are questions here about the design of this and how it will support people into work".[189] Even once they have a 'code', parents must reconfirm their eligibility for 'free childcare' every 3 months to be eligible for the next term.[190]

64. The delay between receiving a code and being able to use it also means that children who have their third birthday between 1 April and 31 August, also known as summer-born children, would not be able to access the funded-hours entitlements until September of that year.[191] As Onward pointed out, this means that summer-born children may only receive one year (three terms) of support if they started primary school the following September.[192] A 2016 study from Cambridge Assessments concluded that there is robust evidence that summer-born children are at a disadvantage relative to older children and perform at a lower level at all stages of formal education. The study found that there are competing theories about why this is the case, with one theory being that summer-born children receive less formal education, and another that they are less developed than their peers when they start school.[193] We were concerned to hear in this inquiry that delays in accessing a funded hours code may exacerbate this gap, as summer-born children enter primary school with fewer hours of ECEC support. As Child's play pre-school told us, "It is the Summer born children" who are most likely to "not leave us fully school ready".[194]

65. This system creates additional administration for local authorities, settings, and parents, and puts summer-born children at a further disadvantage. Laura Barbour

186 Summary of written evidence submitted by parents (CEY1716)
187 Georgie's childcare (CEY0338)
188 Childminder Roundtable Summary (CEY1724); Summary of written evidence submitted by parents (CEY1716)
189 Q192 [Christine Farquharson]
190 HM Government, '30 hours free childcare', accessed 7 July 2023
191 Q3–4 [Chair, Megan Jarvie]
192 Onward, *First Steps: Fixing Childcare* (December 2022), p.44
193 Cambridge Assessments, *Birthdate Effects: A Review of the Literature from 1990-on* (January 2016), p 3–4
194 Child's Play Pre-school (CEY1009)

from the Sutton Trust commented that "providers call for greater simplicity and more certainty so that they could plan and the families could plan".[195] Carousel Day Nursery and Pre-school told us that it had even decided to stop offering funded placements as "the administrative burden of delivering the funded entitlements is too great".[196] Joeli Brearly from Pregnant then Screwed pointed out that this process can also penalise self-employed parents, whose income may fluctuate considerably between the eligibility checks.[197] To address this, the Local Government Association recommended that the eligibility checks be streamlined to ensure that parents must only confirm their eligibility once per year. They also recommend that children should be able to take up a childcare space as soon as they are issued with a code, rather than having to wait until the start of the next term.[198]

Tax-free childcare

66. We heard that Tax-Free Childcare (TFC) is both complex and underused. The tax-free childcare scheme, launched in 2017, provides all eligible working families with 20% government support with their childcare costs, up to an annual limit of £2000 per child (or £4000 for disabled children).[199] The Government's Impact Assessment for tax-free childcare estimated that around 2.3 million families will be eligible, of which 1.5 million are likely to have qualifying childcare costs. The forecasted spending in 2019 was £865 million. However, the actual spending in that year was £236 million.[200] The IFS said that in the four years (2018–2021) after introducing tax-free childcare, "the government spent £2.3 billion less on the scheme than it had planned".[201] Few parents are aware of the scheme, and fewer use it. According to the DfE's 2021 survey of parents, among eligible working families with a child aged under 12, only 44% were aware of the scheme, and 30% were aware but had not used it. In contrast, 83% of parents with a child aged 0–4 were aware of the 30 free hours offer.[202] Not only was there a notable gap between the number of eligible families and those with open accounts, but there was also an alarming difference between the number of open accounts and those that were being used. In the year 2021–2022, only 512,000 of the 816,000 open tax-free childcare accounts were used.[203]

67. According to a 2021 report by HMRC, the barriers to take up included lack of awareness and understanding of the scheme. Some parents were unaware of the tax-free childcare eligibility criteria and believed their income was too high to use the scheme, and some parents found the name confusing.[204] We heard this in our inquiry as well, with Joeli Brearly from Pregnant Then Screwed noting that among parents "there is a real misunderstanding about what it is and why it exists".[205] There also appears to be a lack of awareness among providers. Onward has also reported that a barrier to take-up is the relatively low proportion of providers who have signed up to receive tax-free childcare payments.[206] The Government acknowledged this issue and has been working with

195 Q2 [Laura Barbour]
196 Carousel Day Nursery & Pre-school Ltd (CEY0769)
197 Q124 [Jodi Brearley]
198 The Local Government Association (CEY1498)
199 HM Government, 'Tax-Free Childcare', accessed 7 July 2023
200 HM Revenue and Customs, *Tax-Free Childcare Impact Assessment* (March 2017), p 2
201 Institute for Fiscal Studies, *The Changing Cost of Childcare*, (May 2022), p 28
202 HM Government, *Childcare and early years survey of parents* (August 2022)
203 *Childcare: Tax Allowances*, written question UIN 98738 (November 2022)
204 HM Revenue and Customs, *Tax-Free Childcare: barriers to sign up* (September 2021)
205 Q138 [Joeli Brearly]
206 Onward, *First Steps: Fixing Childcare* (December 2022), p.42

providers to increase take-up.[207] Widespread lack of awareness may be the key problem, we heard, as the Institute for Public Policy Research argued that the tax-free childcare scheme was otherwise "working relatively well".[208]

68. However, we also heard that the system itself can be complex to navigate and burdensome for both parents and providers. While some parents we heard from had positive experiences, others stated that they found the system difficult to use, describing it as "clunky" and "confusing to set up". Another concern was about the need to reconfirm eligibility every three months.[209] Additionally, the upper limit of the top-up each term has not changed since 2017, and Coram noted that the support offered was simply "not generous enough" to make a significant difference to affordability for families.[210] One parent told us:

> Tax Free childcare is hard work, the three monthly need to reconfirm, the separate accounts for each child, the low £500 per quarter top up. It is clunky and inaccessible to many parents. It also makes a very small dent in the total cost of childcare.[211]

69. A number of contributors suggested the TFC scheme be disbanded entirely, with the allocated funds redirected to funded entitlements. Helen Donohoe from the Professional Association for Childcare and Early Years (PACEY) said that it would be better to "move away from the tax-free approach" and to simplify the whole system.[212] According to the Early Years Alliance, this should be "the only way forward".[213] Policy Exchange argued in its 2022 'Better childcare' report that TFC in its current form should close to new applicants, except for families with disabled children, who receive a more generous top-up and have specific needs.[214]

Awareness and complexity

70. Even beyond the difficulties with individual schemes, parents and carers were particularly vocal on the complexity of the childcare support system as a whole, describing it as "complex", "horrible" and "an utterly opaque and frustrating system".[215] Neil Leitch, CEO of the Early Years Alliance, a charity representing early years providers, also commented that "the system seems to have been developed by a series of bolt-ons", and Helen Donohoe from PACEY noted the difficulty that parents face in navigating the "complex mesh" of eight different childcare support streams.[216] Megan Jarvie from Coram Family and Childcare said this complexity means that parents "miss out" as they are not aware of what support they are entitled to.[217] In the Government's response to a 2021

207 Q261 [Claire Coutinho]
208 IPPR (CEY1540)
209 Summary of written evidence submitted by parents (CEY1716)
210 Coram Family and Childcare (CEY1375)
211 Summary of written evidence submitted by parents (CEY1716)
212 Q5 [Helen Donohoe]
213 Q9 [Neil Leitch]
214 Policy Exchange, *Better Childcare* (August 2022), p.57
215 Summary of written evidence submitted by parents (CEY1716)
216 Q1 [Helen Donohoe]; Q2 [Neil Leitch]
217 Q2 [Megan Jarvie]

Petitions Committee report on the impact of Covid on new parents, it said it recognised, "that the offer across three Departments (DfE, DWP and HMRC) can in some instances appear fragmented".[218] This is an understatement.

71. We also heard that awareness was particularly low among disadvantaged communities. According to the DfE, awareness of the 30-hour offer was at 73% among those earning under £10,000, rising to 91% of those earning £45,000 or more per year.[219] Low income families were also more likely to describe the entitlement system as "confusing".[220] It is these families who may benefit most from formal childcare. Information about childcare is available on the Government's 'Childcare choices' website, but we heard that parents found the website a "minefield".[221] The Government is trying to increase awareness of childcare choices. In July 2022 a £1.2 million campaign was launched through the Childcare Choices website.[222] However, Megan Jarvie from Coram Family and Childcare and Helen Donohoe from PACEY pointed out that direct engagement and an individual approach were needed, especially for hard-to-reach communities.[223] However, while noting that awareness building is important, Jarvie called for more fundamental change, as "the way of getting parents to understand it is having an understandable system rather than more work around promoting it".[224]

72. System complexities were felt even more keenly by parents of children with SEND, who often had to navigate additional complex avenues of funding before settings were able to take care of their children. These issues will be discussed in more detail in Chapter 6 of this report, but it is worth highlighting here that parents of children with SEND face a system that is not only complex, but also too often adversarial. Jolanta Lasota, Chief Executive at Ambitious about Autism, a charity supporting autistic children, commented on the damaging effects that this can have on families. She told us that Contact saw parents who were "fighting" for diagnosis and support for their child, and often not getting support before the child reaches school.[225] This adversarial system in turn damaged parental trust in early years providers and meant that fewer parents of children with SEND took up their funded entitlements, as they did not have confidence that the provider could meet their child's needs.[226] As Nottingham City Council outlined, the fact that the SEND early years system is not "family friendly" meant that some parents and children were missing out on the vital early intervention they needed.[227] System accessibility and awareness are vital in developing parental trust, and ensuring that all families can access ECEC care if that is what they choose.

218 Petitions Committee, First Special Report of Session 2021–22, *Impact of Covid-19 on new parents: one year on: Government Response to the Committee's First Report*, HC 1132, p 9
219 Department for Education (CEY1714)
220 Department for Education, *Take-up of free early education entitlements* (September 2018), p 51
221 Childminder Roundtable Summary (CEY1724)
222 HM Government, 'Childcare Choices', accessed 7 July 2023
223 HM Government, 'Childcare Choices', accessed 7 July 2023; Q5 [Helen Donohoe]; Q25 [Megan Jarvie]
224 Q2 [Megan Jarvie]
225 Q159 [Jolanta Lasota]
226 Contact, the charity for disabled children (CEY1541)
227 Nottingham City Council (CEY1711)

Eligibility

Low-income families

73. We have heard concerns from multiple organisations that the eligibility criteria for the 30-hours entitlement restricts access for the disadvantaged or low-income families that need it most. The 30-hours policy was introduced in 2017 for children aged 3 to 4, but parents of these children are only eligible for the 30-hours if they earn at least the National Minimum Wage or Living Wage for 16 hours a week on average.[228] Sutton Trust research undertaken in 2021 found that as a result, only 20% of the poorest families, with salaries under £20,000, were eligible for the 30-hours offer.[229] The Sutton Trust has also said that since the 30-hours entitlement was introduced in 2017, it may be contributing to the recent widening in the attainment gap, "by doubly disadvantaging" the worse off with fewer hours.[230] Megan Jarvie from Coram Family and Childcare supported this when she told the Committee that "better-off children" were getting twice as much formal early education as disadvantaged children, as a result of the 30 hours policy.[231]

74. Some contributors to our inquiry were therefore concerned about the consequences of the Spring Budget's proposed expansion of the 30-hours policy. The Education Policy Institute was also concerned that this "targeted focus on working families" in the Budget would leave many disadvantaged children behind, who would "likely benefit the most from high quality early education".[232] The IFS has also expressed its concern that the expansion of the 30-hours policy sees even more childcare support being targeted at working families, which means largely benefitting richer families. According to IFS projections, families with a household income in the 9th decile will benefit most from the 30-hours expansions, with an estimated additional benefit of £3,500 per year in cash terms. The poorest families with income in the 1st, 2nd and 3rd deciles will see a benefit of less than £200.[233] Many organisations, including charities and councils, have suggested that the 30-hours offer should be accessible to all families, regardless of working status.[234]

Single parent families

75. Single parent families often face even greater challenges with childcare. Victoria Benson from Gingerbread told us that "single parents want to work", for "economic reasons, for their own development and to provide a good role model for their children".[235] Yet recent research by Gingerbread has shown that childcare is still one of the biggest barriers to single parents getting into work.[236] The recently announced increases to the Childcare Element Benefit Cap, and the changes that allow childcare costs to be paid upfront rather than in arrears, have been widely welcomed. Benson noted that this is

228 HM Government, '30 hours free childcare', accessed 7 July
229 Sutton Trust, *A Fair Start? Equalising access to early education* (August 2021), p 9
230 Sutton Trust, *Getting the Balance Right* (July 2020), p 22
231 Q49 [Megan Jarvie]
232 Education Policy Institute, 'EPI responds to Spring Budget 2023', accessed 7 July 2023
233 Institute for Fiscal Studies, *Changes and challenges in childcare* (March 2023), p 8
234 Oldham Council (CEY1470); IPPR (CEY1540); Sutton Trust (CEY1502)
235 Q118 [Victoria Benson]
236 Gingerbread, *The Single Parent Employment Challenge – job loss and job seeking after the pandemic* (February 2023), p 4

particularly welcome as "the vast majority of single parents—currently around 80%—are on universal credit".[237] However, we identified several remaining barriers preventing single parents from entering and progressing in the workforce.

76. We heard that the limited childcare support for parents undertaking training or education limits parents' ability to increase their working hours and earnings, or even to enter the workforce.[238] Parents undertaking training are not eligible for the funded entitlements or tax-free childcare. The Government does provide support to parents in a full-time undergraduate course through the Childcare Grant (up to £183.75 per week for one child and £315.03 per week for two or more children) and the Parents' Learning Allowance (up to £1,863 per year). However, these payments cannot be claimed alongside other childcare support, or for courses other than undergraduate degrees.[239] There are specific grants for parents undertaking training for healthcare positions which can be claimed alongside childcare support.[240]

77. This appears directly counter to the Government's drive to support lifelong learning through reforms to post-18 education and training in the Lifelong Learning Bill.[241] The focus on supporting undergraduates but not other more vocational approaches to training also stands against the longstanding drive of this Committee and the Government to build parity of esteem for vocational education. For parents trying to return to work after a long period of absence, the inability to retrain may prevent them from finding suitable work to accommodate their skills and flexibility needs. We heard that the lack of childcare support during training was a particular problem for single parent families, where the parent is more likely to need to retrain to secure more flexible work. The Joseph Rowntree Foundation's UK Poverty report 2018 found that nearly half of children in single-parent families live in poverty (49%) compared with one in four of those in couple families (25%). The report found that this is largely due to single parents undertaking low-paid work.[242] Victoria Benson from Gingerbread also told us that single parents are often "stuck in very low-paid jobs". Benson argued that many single parents need training because they need "a different kind of work" to fit in with caring responsibilities and to enable them to get back to work.[243] Allowing parents to access childcare entitlements for training and education could support them in finding better jobs to support their families.

78. Another area in which single parents are at a disadvantage is in the payment of child benefits. Child Benefit is one of the most universal elements of direct support to parents. Any child is entitled to a weekly payment for as long as the parent is responsible for the child. This can be up to the age of 16, or to the age of 20 if the children are dependent and in approved forms of education.[244] Child Benefit has widespread take-up, with 13.2 million children receiving it as of August 2022.[245] After one parent earns more than £50,000, they become subject to the 'High Income Child Benefit Charge', which increases such that by the

237 Q118 [Victoria Benson]
238 Q133 [Victoria Benson]
239 Department for Education (CEY1714)
240 NHS, 'Parental Support (formerly Child Dependants Allowance)', accessed 7 July 2023; "Nursing students to receive £5,000 payment a year", Department for Health and Social Care news story, 18 December 2019
241 Department for Education, 'Everything you need to know about the Lifelong Learning Bill', accessed 7 July 2023
242 Joseph Rowntree Foundation, *UK Poverty 2018* (December 2018), p 4
243 Q133 [Victoria Benson]
244 HM Government, 'Child Benefit: How it works', accessed 7 July 2023
245 HM Revenue and Customs, *Government Statistics Annual Release* (April 2023)

time they earn £60,000, there is no benefit entitlement at all.[246] However, as each parent's income is calculated separately, a double income family can reach a combined household income of £100,000 before losing Child Benefit. The £50,000 threshold for single earners has been frozen since 2013. As a result, according to the IFS an estimated 26% of families with children in the UK are now losing some or all of their child benefit due to inflation.[247] Victoria Benson from Gingerbread said that there was "no logic" to this policy.[248] Anne Fennell from Mothers at Home Matter commented that this disproportionately impacts single parent families, and argued that "we must allow people to work harder and bring in more money and not to have it all taken away".[249]

Stay-at-home parents

79. Contributors to this inquiry told us about the importance of allowing parents to have choice over the care that their child receives, whether that is in nursery, with a childminder, or at home. Megan Jarvie from Coram called for a full reform of the system to ensure that "parents have a genuine choice about working or staying at home and how much to work".[250] Anne Fennell from Mothers at Home Matter argued that support for children needs to start from giving parents choice as parents know best:

> Families are the ones who know what is best for their own family and their own children. Each circumstance is different, and every child is different. I have six and each one is very different. One responded well to nursery and one did not. A family needs to be able to respond to their own children and their own circumstances.[251]

80. However, we heard concerns that the continued targeting of support to working parents announced in the Spring Budget will limit parents' ability to choose whether to work or remain at home with their family. According to Onward's 'First Steps' report, a majority of parents (61%) would prefer to stay at home to look after their children if money was no object. This result did not vary markedly between income, socio-economic status or education.[252] Fennell said that the lack of support for stay-at-home parents limited parents in making this choice and left those who did chose to stay at home feeling "undervalued".[253] Contributors were consistent in noting that effective care in the home, or the Home Learning Environment (HLE), was beneficial to children and substantially improved their outcomes.[254] The Government recognised this, and outlined in its 2018 HLE behaviour change model that "The quality of the HLE is a key predictor of a child's early language ability and future success".[255] Support for parents in developing the HLE is largely given in advice and support through early years settings, children's centres and other local services, rather than financial support as is the case for formal ECEC. No further support for stay-at-home parents was announced in the Spring Budget. Anne

246 HM Government, 'Child benefit: What you'll get'; HM Government, 'High Income Child Benefit Charge', all accessed 7 July 2023
247 Institute for Fiscal Studies, *Reforms, roll-outs and freezes in the tax and benefit system* (October 2022), p 2
248 Q153 [Victoria Benson]
249 Q154 [Anne Fennell]
250 Q27 [Megan Jarvie]
251 Q152 [Anne Fennell]
252 Onward, *First Steps: Fixing childcare* (December 2022), p 26
253 Q119 [Anne Fennell]
254 Sutton Trust (CEY1502); Triple P (CEY1512); YMCA England & Wales (CEY1570)
255 Department for Education, *Improving the home learning environment* (November 2018), p 21

Fennell expressed "dismay" at this and commented that the Budget "completely ignores the desire of many mothers and fathers to be there for their children, particularly when they are very young".[256]

81. We have also heard concerns about changes to Universal Credit sanctions that are designed to increase parents' working hours limited choices for parents even further. This is particularly the case for single parents, who according to Victoria Benson are "overwhelmingly on universal credit".[257] As of February 2022, the Universal Credit Childcare Element is used by 14% of earning single parent families, and 12% of dual earning families.[258] Part of the package announced in the Spring Budget was the strengthening of Work Coach support and work search requirements for Universal Credit claimants.[259] Under the changes, parents who are the main carer will be expected to work 30 hours a week from when their youngest child is 3 years old. The Government considers 35 hours or more to be full time work.[260] Currently, parents of 3- and 4-year-olds are expected to work for 16 hours.[261] This change may limit a parent's choice over whether to stay at home with their children or to work. In a Guardian article on the topic, Mary-Ann Stephenson, the director of the Women's Budget Group, said the move would "disproportionately affect single parents".[262] When questioned on this change, Minister Coutinho defended it and said that it brought the Universal Credit offer in line with the other childcare offers:

> That is, in part, because the welfare system is designed to reduce poverty and we know that having parents working is the best way to do that. It is enabling parents to have a better income and to be able to give their children a better life.[263]

82. Both Victoria Benson from Gingerbread and Anne Fennell from Mothers at Home Matter expressed concern about these new requirements and commented that they appear to devalue the unpaid care that many parents do. They also said that implementing the proposals would leave single parents no choice about whether to work or not, even if working would not be right for their families:

> For many single parents, [working] isn't what is right for them and their family. For example, if you have escaped an abusive relationship, or you have had a big change in circumstances, it is going to be better for you and your children to stay at home, or it might be better. Single parents don't have the luxury of making that decision.[264]

83. Contributors to the inquiry proposed several solutions to improve support for parents who wish to stay at home with their children. These solutions do not fall under the remit of Department for Education but are worth noting in this inquiry as they address issues and concerns raised by our contributors. Most solutions focused on developing a more family-centred approach to support. Neil Leitch from the Early Years Alliance said that

256 Q119 [Anne Fennell]
257 Q134 [Victoria Benson]
258 Department for Work and Pensions, *Universal Credit claimants eligible for and receiving the childcare element between March 2021 to February 2022* (June 2022).
259 HM Treasury, *Spring Budget 2023* (March 2023), p 99
260 HM Government, 'Part-time workers' rights', accessed 7 July 2023
261 Gingerbread, 'Work-related expectations for Universal Credit', accessed 7 July 2023
262 "Hunt's jobs drive will push mothers on benefits to work 30-hour week", The Guardian, 22 March 2023
263 Q259 [Claire Coutinho]
264 Q134 [Victoria Benson]

"We need to have a family approach", similar to other countries, instead of focusing on "getting mums back into the working environment".[265] Professor Eva Lloyd, Director of the International Centre for the Study of the Mixed Economy of Childcare at the University of East London, and Joeli Brearly from Pregnant then Screwed both argued for increasing the parental leave allowance, particularly for fathers or other partners. The UK has some of the least generous parental leave policies in Europe, with entitlements to 52 weeks maternity and up to 2 weeks paternity leave.[266] 'Shared parental leave' allows mothers to transfer some of their leave to other partners, but those partners have no actual right to this leave.[267] Brearly said that there were "so many benefits" to fathers spending quality time with their children, and "we are way behind other countries on this".[268] Professor Lloyd also said that more generous paternity leave would "encourage parents to take it in turns to stay at home with an infant".[269] Parental leave policies are the responsibility of the Department for Business and Trade.

84. Another family-centred approach came from think tanks Onward and Policy exchange, who both recommended reprofiling child benefits. Child Benefit is the primary means of support for stay-at-home parents. In their 2022 'Better Childcare' report, Policy Exchange call for the Government to "trust parents to make the right decisions for their children" and therefore to expand direct payments to parents through child benefits. They advocated for reprofiling child benefit spending from the ages of 13–19 to the early years, in recognition that these were the years when the economic and social impact of support was greatest.[270] Onward also recommended that parents should have the option to frontload child benefits, in exchange for lower payments when the child was older.[271] Onward's 2022 'First Steps' report argued that this would "give parents greater flexibility to stay at home or pay relatives to provide care if they wanted to".[272] Child benefits are the responsibility of HMRC.

Family and children's centres

85. Several witnesses commented on the impact of the reduction of Sure Start children's centres on children and families, particularly those from disadvantaged backgrounds. The Sure Start Children's Centre programme was an area-based programme introduced in 1999 to deliver services and support to young children and their families. It was initially targeted towards areas with high levels of deprivation. In 2010 it operated around 3,600 centres. The centres were planned, delivered, and run by local authorities, and financed by a ring-fenced grant from central government.[273] Since then, the programme has faced considerable cuts, and as of 2021, 2,273 centres are still in operation. Local authorities have seen the number of children's centres in their areas decrease by 37% on average.[274]

265 Q26 [Neil Leitch]

266 HM Government, 'Maternity pay and leave'; HM Government, 'Paternity pay and leave', all accessed 7 July 2023; *"Making time to care: parental leave today and tomorrow"*, University College London, IOE Blog, 12 September 2021

267 HM Government, 'Shared Parental Leave and Pay', accessed 7 July 2023; International Network on Leave Policies and Research, *18th International Review of Leave Policies and Related Research 2022* (August 2022), p 511

268 Q154 [Joeli Brearly]

269 Q198 [Professor Lloyd]

270 Policy Exchange, *Better Childcare* (2022), p 51, 53, 58

271 Q223 [Adam Hawksbee]

272 Onward, *First Steps: Fixing childcare* (December 2022), p 58–59

273 *Sure Start (England)*, Standard note SN7257, House of Commons Library, June 2017

274 Early Years Alliance, 'Alliance comments on new government figures showing a huge decline in children's centres since 2010', accessed 7 July 2023

86. Childcare providers, charities, councils, parents and think tanks have told us that children's centre closures have led to a decline in local resources to support children in their early years, and their parents.[275] Save the Children UK, for example, noted that the reduction in Sure Start Centres had resulted in a lack of understanding among families for where to go to for support, an increase in the stigma families felt when accessing services, and an increase in families who were dropping off the local health visitors' radar and therefore missing out on support there were eligible for.[276] Oldham Council outlined similar problems, and noted that this had caused crisis for more families and increased demand for targeted and specialist services.[277]

87. A 2023 evaluative study of Sure Start Centres by the Nuffield Foundation found that the benefits of support through this model were felt most by parents. In particular, the work of Sure Start was linked to a quantifiable improvement of the Home Learning Environment (HLE).[278] The HLE is an important factor in the development of early speech, language and communication and social and emotional skills. Effective parental involvement in home learning activities can support children's cognitive and social development from very early ages and throughout their academic careers.[279] The Sutton Trust noted that children's centres provided an important opportunity to improve the HLE, which is otherwise "particularly difficult to influence".[280] PACEY did tell us that the children's centre model "worked for some families but not for all" as some families were hard to reach for multiple reasons, and noted that community-led approaches and joint working with parents would be key to ensuring that early intervention with parenting support is successful.[281]

88. In the absence of children's centres, we heard that parents were turning to ECEC providers for support to "plug the gap".[282] This has been increasing the burden on already overstretched providers, especially as they have no additional resources to support this function. Professor Celia Greenway, Deputy Pro-vice Chancellor and Professor in Education at the University of Birmingham pointed out that many children who require support were presenting with more serious problems as "the multi-agency referral that used to happen in a children's centre that perhaps prevented a small concern getting bigger has stopped".[283] Without other safeguarding mechanisms in place, we heard that childcare providers were now often the first authority to see a child after the health checks that take place after six weeks, one year, and two years.[284]

89. Many contributors to our inquiry expressed hope that the new Government-funded Family Hub pilot, announced in 2021, would help to address this service gap.[285] The Government has stated its ambition that Family Hubs will provide a central point of

275 Greater Manchester Combined Authority (CEY1612); Post Pandemic Childcare coalition (CEY1667); Nuffield Foundation (CEY1709)
276 Save the Children UK (CEY1343)
277 Oldham Council (CEY1470)
278 Department for Education, *The impact of Sure Start Local Programmes on seven year olds and their families* (June 2012)
279 Pam Sammons et al., "The long-term role of the home learning environment in shaping students' academic attainment in secondary school", Journal of Children's Services, vol 10 (3), pp 189–201
280 Sutton Trust (CEY1502)
281 PACEY (Professional Association for Childcare and Early Years) (CEY1273)
282 Q64 [Neil Leitch]
283 Q84 [Professor Greenway]
284 Q84 [Kara Jewell]
285 Save the Children UK (CEY1343)

access for integrated services to support families with children and young people (0–19 years).[286] Coram Family and Childcare said that “it is positive to see that the importance of high quality parental support during this time recognised in the Family Hubs and Start for Life agendas” and noted that this goal now needs to be supported by funding across the country.[287] The Royal College of Speech and Language Therapists also noted that Family Hubs had the potential to provide the high-quality universal support and targeted outreach that was needed, if the funding and scope were more ambitious.[288] In 2022, the Government announced £301.75 million in funding to pilot Family Hubs in 75 of the 150 Local Authority Areas in Great Britain.[289] Of this, £28.7m has been made available to improve young children’s home learning environments.[290] Also included is a £50m fund for parenting support.[291]

90. Some contributors, including the Nuffield Foundation, have commented that the Family Hubs programme is “radically smaller in investment and scale” than Sure Start.[292] Current funding commitments for Family Hubs are well below Sure Start funding levels, which at their peak in 2010 had an annual budget of £1.8 billion.[293] Additionally, the fact that only 75 local authorities are eligible means that the geographical coverage of the programme is not yet sufficient to reach many of the families who need support. The Community Union, a trade union, commented that the limited funding is creating a “patchy landscape” of support across the UK.[294] Coram welcomed the recognition that parents need support during the crucial early years, but predicted that the small allocated budget means that Family Hubs are “unlikely” to be able to fill the service gap.[295] Bristol City Council was among several stakeholders who wrote to tell us that the programme’s good intentions also risked being “undermined by the short term nature of the funding” and called on the Government to “move away from a competitive bidding process and commit to rolling out a long-term settlement for Family Hubs across the country”.[296]

91. The ability of the Family Hubs model to provide targeted early years support was also questioned by several contributors. The Nuffield Foundation commented that Family Hubs were “largely conceived of as separate to the provision of early years and childcare”. It argued that this represents a “missed opportunity in relation to supporting young children’s development and outcomes, in particular for children from a disadvantaged background”.[297] Additionally, the broader focus on children from 0–19, as opposed to Sure Start’s 0–4, was raised as a potential issue for early years in particular, as this may result in direct care for the early years to be “watered down”.[298] Family Hubs are designed

286 Department for Health and Social Care, Department for Education, ‘Family Hubs and Start for Life programme’; National Centre for Family Hubs, ‘Why Family Hubs?’, all accessed 7 July 2023
287 Coram Family and Childcare (CEY1375)
288 Royal College of Speech and Language Therapists (CEY1499)
289 “*Infants, children and families to benefit from boost in support*”, Department for Education press release, 2 April 2022; Department for Education, ‘Family Hubs and Start for Life Package Transparency Data’, accessed 7 July 2023
290 HM Government, *Family Hubs and Start for Life Programme guide* (August 2022), p 1
291 National Centre for Family Hubs, ‘Family hubs funding explained’, accessed 7 July 2023
292 Nuffield Foundation (CEY1709)
293 Pam Sammons et al., “Challenges Facing Interventions to Promote Equity in the Early Years: Exploring the ‘Impact’, Legacy and Lessons Learned from a National Evaluation of Children’s Centres in England”, Oxford Review of Education, vol 49, 2022, pp 114–35
294 Community Union (CEY1338)
295 Coram Family and Childcare (CEY1375)
296 Bristol City Council (CEY1456)
297 Nuffield Foundation (CEY1709)
298 Post Pandemic Childcare coalition (CEY1667)

to respond to local needs. Family Action, a charity that supports families, commented that each Local Authority "has interpreted the policy guidance differently", meaning that it is not always clear to parents which services are included.[299] A 2022 evaluation of the Family Hubs programme reported "a clear message" from Local Authorities with more established models was that "Family Hubs cannot be all things to everyone", and therefore that they needed "a clear vision and remit".[300] It is important that early years services do not get lost among other family demands as Local Authorities decide on this vision.

92. We were told that tackling the stigma associated with accessing children's centres would also be important. The British Educational Suppliers Association noted that "at its peak" the Sure Start Programme worked well due to "regular face-to-face contact" which built trust with parents and carers and allowed them to ask important questions.[301] Family Action noted that once centres stopped offering universal services, they became much less attractive to parents and the associated stigma increased.[302] It will be important that Family Hubs aspire to be fully integrated family support centres that offer universal services and do not become "distress centres", as Neil Leitch from the Early Years Alliance warns. Leitch noted that they should be "integrated into the community, part of the community, not a place that nobody wants to be seen standing outside".[303]

93. **Parental choice should be at the heart of any Early Years Care and Education policy to allow parents to choose what works best for their family. We welcome the Government's acknowledgement that parents who need or want to work require more support for childcare costs when their children are younger than 3 years old. The Government must improve awareness of the support available and reduce the complexity of the ECEC system for the Spring Budget changes to be effective in supporting parents who need or want to get back to work.**

94. ***We recommend that the funded hours entitlement system be made more streamlined. For example, parents should be able to access childcare as soon as they receive an eligibility code. The requirement for parents to reconfirm their eligibility every three months for both the 30-hours entitlement and the Tax-Free Childcare scheme is unduly onerous and should be reduced to once per year.***

95. ***To improve awareness and improve parental trust in the childcare subsidy system, we recommend the Government stop describing the 30-hours offer as 'free hours' and talk about 'funded' or 'subsidised' hours instead.***

96. ***We recommend the Government develop better support for parents who choose to stay at home with their children. For example, HMRC could explore ways to frontload child benefits to give parents more support in the early years when the economic and social impact of childcare is highest. The Department for Business and Trade could also consider expanding parental leave allowances.***

299 Family Action (CEY1472)
300 Department for Education, *Family Hubs Innovation Fund Evaluation: Interim Research Report* (December 2022), p 7
301 British Educational Suppliers Association (CEY1576)
302 Family Action (CEY1472)
303 Q65 [Neil Leitch]

97. **Despite some witnesses recommending the withdrawal of tax-free childcare and the use of the funding elsewhere, we recognise the benefits of the more flexible support it can provide, especially for wrap around care for school age children. Therefore, we do not believe that withdrawal would be in the interests of a majority of parents.**

98. **Parents who choose to care for their children at home do important work. With better support, parents would have more of a choice over whether they work or stay at home and have better flexibility to respond to their family's needs. More support would also help parents in developing a better home learning environment. The home learning environment is vitally important component of a child's development. While support for families is not directly in the remit of the Department for Education, it will be important for the Government to complement their expansions in childcare with a more family-centred approach, and in particular, better support for parents who choose to stay at home.**

99. ***The Government must do much more to ensure the support available for tax-free childcare is better understood and easier to access. We recommend HM Treasury conduct a fundamental review of tax-free Childcare with a view to making it simpler and easier to use and ensure it is delivering effectively for eligible families. In doing so it should carefully analyse why so many parents who have gone to the trouble of setting up an account do not the use it and seek to monitor ongoing take up and usage of the scheme. Following this review and any changes to the system, the Government should launch a large scale public campaign to improve awareness.***

100. ***We recommend the Government expand the Family Hub model and commit to longer-term funding. We would like to see a national rollout of family hubs at the earliest possible opportunity. In particular, the £50m fund for 'Parenting Support' and the £28.7m 'Home Learning Environment' fund should be increased, along with the Best Start for Life funding to support infant feeding and parent infant relationships. Family Hubs should spread awareness of the childcare subsidy offers and increase take up. They should also provide specific, targeted support to families with children with Special Educational Needs and Disabilities.***

101. ***We recommend the Government make parents in training or education eligible to claim the 30-hours entitlement. This will support single parents who need to retrain to secure more flexible work, and also support parents who are trying to re-enter the workforce after a period of absence. The Department for Work and Pensions should also consider what further ways to support single parents, for example by raising the single income child benefit threshold from £50,000, where it has been frozen since 2013.***

4 Quality care for children

Quality

102. The Government's 2021 Study of Early Education and Development (SEED) reported on the several decades of research indicating ECEC has a positive effect on the educational, cognitive, behavioural and social outcomes of children, in both the short and long term. Of the primary school leaders surveyed by the Sutton Trust, 93% said more time spent in early years provision before children start in reception helped to support school readiness, with 71% saying it helped "considerably".[304] The effects were lasting. The Education Policy Institute (EPI) pointed out that high-quality ECEC had a "protective" effect that stretched into adulthood.[305] There was also a "real opportunity", according to Megan Jarvie from Coram Family and Childcare, for ECEC to support the HLE by involving the parent in their child's care and education.[306] Formal ECEC also provided an important safeguarding function for children, as providers were able to identify issues at home that might not otherwise be noticed until the child begins formal education at 5 years old. One nursery wrote to us stressing that "safeguarding issues are far less likely to be identified when a child does not attend an early years setting".[307]

103. Our evidence showed that access to quality ECEC is of increased importance following the COVID-19 pandemic, which disrupted socialisation and education for many children during their crucial early years. Childcare providers have reported seeing high numbers of children arriving in formal settings with much higher needs or developmental delays, particularly in language and communication skills, as a result of the pandemic.[308] Ofsted's 2022 report on Education Recovery in Early Years Provision' found that the pandemic continues to affect young children's communication, social, emotional and physical development, as well as reducing independence and self-care skills.[309] Children from disadvantaged backgrounds can be particularly affected by this. In the academic year 2021/22, there was a 19.6% difference between the Early Years Foundation Stage Framework (EYFS) outcomes of children who are eligible for free school meals, and those who are not.[310] In 2019 the equivalent figure was 17.8%.[311] The Sutton Trust's 2021 report 'A Fair Start' found that that over half (54%) of primary school leaders surveyed said fewer pupils were 'school ready' when they started reception in 2021 than expected. For schools with the most deprived intakes the figure was 67%.[312] Attainment gaps that emerge before schooling begins will continue to widen at every subsequent stage of education, more than doubling by the end of primary school, more than doubling again by the end of secondary school.[313] This is a worrying trend.

304 Sutton Trust, *A Fair Start? Equalising access to early education* (August 2021)
305 Education Policy Institute (CEY1557); Andre S. Bustamante et al, "Adult outcomes of sustained high-quality early child care and education: Do they vary by family income?", Child Development, vol 93, pp 502–523
306 Q19 [Megan Jarvie]
307 Twyford Playgroup, Hampshire (CEY1712)
308 Mrs Rachel Dey (Manager at Pebbles Day Nursery) (CEY0022); Crigglestone Daycare (CEY0836); Q91 [Gemma Rolstone]; Q31 [Neil Leitch]; Ofsted, *Education recovery in early years providers: spring 2022* (April 2022)
309 "*Strong signs of recovery across education, but challenges remain*", Ofsted press release, 4 April 2022
310 HM Government, *Early years foundation stage profile results* (November 2022)
311 Department for Education, *EYFSP Pupil Characteristics 2019*, Table 1
312 The Sutton Trust, *A Fair Start? Equalising access to early education* (August 2021), p 9
313 Education Endowment Foundation, *The Attainment Gap 2017* (January 2018), p 2

104. We heard that ECEC can be a solution to addressing the disadvantage gap, but only if it is of high quality. Some evidence suggests that low-quality ECEC may be neutral or even detrimental to children's outcomes.[314] According to Ofsted, the quality of childcare remains high across the country. As of August 2022, the number of childcare providers rated as 'good' or 'outstanding' by Ofsted remained high at 96%. However, the number of 'outstanding' providers has fallen from 20% to 15% since 2019.[315] It is particularly concerning, especially given the specific benefit to disadvantaged children from high quality ECEC, to see that the percentage of providers rated as 'outstanding' is lower in the most deprived areas (11%) than in the most affluent areas (18%).[316]

105. Many participants found the focus on labour participation in the Spring Budget alarming, as they saw it as evidence of a focus on quantity rather than quality childcare.[317] EPI warned that reforms prioritising quantity over quality were not in the best interests of children, and should be reconsidered if quality was compromised.[318] The Government's childcare system appears to have two goals: to get parents back to work and to support high quality ECEC. Megan Jarvie from Coram Family and Childcare said that this is the root of the system's complexity, as the policy goals pulled in different directions entirely.[319] However, the Fawcett Society criticised the "false dichotomy" between these policy goals, pointing out that a trade-off was unnecessary.[320] Specific and targeted programmes alongside the Spring Budget investments to focus on quality, rather than simply quantity, were seen by some as the solution. The Nuffield Foundation said in written evidence that "given that lifelong inequalities have their roots in early childhood" investing in quality "would be investment in social and individual well-being over the long term."[321]

106. Defining 'quality' care is not, however, easy. Little Jungle, a nursery, said that the lack of a quality childcare incentive was the first challenge to grapple with to ensure balance in the childcare system, but that such an incentive was difficult as there is no definition of quality.[322] This is because the effects may be influenced by multiple factors in childcare settings, such as quality of care, group size, staff retention, and teacher training.[323] Factors outside of settings also affect outcomes, such as parent engagement in ECEC and the HLE.[324] Ofsted definitions of 'quality' are based around adherence to the EYFS statutory framework, which judges child outcomes based on seven learning and development requirements.[325] However, in practice, quality is hard to judge and, according to the London Early Years Foundation, is widely "contested".[326] Professor Birgitta Rabe from the Institute for Social and Economic Research at the University of Essex outlined the key difficulties in defining quality, defining the two elements of structural and process quality that form part of academic discourse on the topic:

314 World Bank, *Better Jobs and Brighter Futures: Investing in Childcare to Build Human Capital* (December 2020), p 28
315 Ofsted, *Main findings: Childcare providers and inspections as at 31 August 2022* (March 2023)
316 Ofsted (CEY1720)
317 Q119 [Anne Fennell]; Q123 [Victoria Benson]
318 Education Policy Institute (CEY1557)
319 Q22 [Megan Jarvie]
320 The Fawcett Society (CEY1528)
321 Nuffield Foundation (CEY1709)
322 Little Jungle - School of Early Childhood (CEY0008)
323 Education Policy Institute, *Early years workforce qualifications and children's outcomes* (December 2020), p 48
324 University of Plymouth and Save the Children, *Improving the Early Learning of Children Growing Up in Poverty: A Rapid Review of the Evidence* (July 2019), pp 10, 13
325 Department for Education, *Statutory framework for the early years foundation stage* (March 2021), p 7
326 London Early Years Foundation (CEY1265)

> You can describe childcare along the lines of structural dimensions. How qualified are the childcare teachers? What are the child-to-adult ratios? The literature does not often find a very strong relationship between those structural characteristics, because the actual quality and the experience of the child—what we would call process quality—is something different. It is about the experience that you have, and it is not necessarily linked to the academic degree of the teacher that you face.[327]

The two commonly used measures of structural quality, staff qualification level and staff:child ratios, will be discussed below.

Qualifications

Linking to quality

107. EPI stated in its 2018 review of quality in early years provision that "it is generally recognised that a qualified early years workforce is key for high quality provision". However, it also noted that "what is not always clear and agreed upon is what 'qualified' means in practice". Questions facing many countries include what the optimal teacher qualifications should be, and what is the 'minimum level' of qualification that guarantees good provision.[328] Qualification requirements in England's ECEC sector are complex. They are defined by levels, rising from the entry-level at Level 2 to the advanced Level 6, which is reached by undertaking a relevant undergraduate degree or equivalent professional status qualification (Qualified Teacher Status (QTS), Early Years Teachers Status (EYTS), or Early Years Professional Status (EYPS).[329] A staff member's qualification level determines whether they can count towards the minimum number of qualified staff required by the EYFS staff:child ratio regulations.[330]

108. We have heard that the childcare workforce is becoming "significantly less well qualified".[331] The UK already has low qualification requirements in the sector, compared with similar economies such as New Zealand, Canada, Australia, Switzerland and Japan.[332] During our visit to Finland for this inquiry we heard about the high qualification requirements in its ECEC sector, where leadership staff must be qualified to a master's degree level. The UK early years workforce is also significantly less qualified than the teaching workforce.[333] According to Onward's 2022 report, 'First Steps: Fixing Childcare', this trend is increasing. It found that the proportion of the early years workforce qualified to at least Level 3 had dropped from 83% in 2015/16, to 52% in 2018/19. This coincided with the proportion of unqualified staff rising 16% from 2017–18 to 2018/19.[334]

327 Q201 [Professor Rabe]
328 Education Policy Institute, *Structural elements of quality early years provision: A review of the evidence* (August 2018), p 14
329 Department for Education, *Pathway into early years education* (February 2022)
330 Department for Education, *Early years qualifications and ratios* (March 2023)
331 Q98 [Gemma Rolstone]
332 Fawcett Society, *Childcare and Early Education Systems: A comparative literature review of liberal welfare states* (June 2022), p 11
333 Education Policy Institute, *The early years workforce in England* (January 2019), p 26
334 Onward, *First Steps: Fixing Childcare* (December2022), pp 51–52

English and Maths

109. The question of whether GCSE Maths and English should be compulsory requirements for early years staff has been frequently raised throughout this inquiry. Since 2014, staff with a Level 3 qualification and above also need to hold a pass (Grade 4 or C) in GCSE maths and English to be counted towards the EYFS staff:child ratios.[335] As of 2023, 33% of staff in ECEC settings do not have either English or Maths GCSE.[336] Some childminders argued that the GCSE requirement and degree qualifications in general do not reflect the qualities that make a good ECEC worker, such as character, patience, and a "huge heart", which cannot be taught.[337] Nursery leaders also consistently spoke about the importance of experience with children and prioritised qualifications that had a more practical component.[338] Gemma Rolstone from Puffins Childcare also said that the current requirements were negatively impacting quality, as she was spending time "teaching 17-year-olds Romeo and Juliet", rather than childcare skills.[339] A 2021 research paper on the quality and quantity of childhood from the Journal of Population Economics concludes that "attempts to improve quality require nuance; raising staff qualifications is not sufficient".[340]

110. However, others were more adamant that the GCSE requirements should stay. Dr Grenier from Sheringham Nursery School and Children's Centre called the requirements a "general bar" for quality and commented that he "cannot see a future" that he would be "excited" about if that bar was relaxed.[341] Professor Celia Greenway from the University of Birmingham also said that "we may be doing our sector a disservice if we dilute the standards of entry", especially considering the sector's calls for more recognition and progression of early years staff.[342] Several contributors acknowledged the need for a 'bar' in mathematics and literacy skills, but questioned whether GCSEs were the right indicator. The Early Childhood Studies Degree Network, for example, recognised the need for mathematics knowledge but questioned whether there could be a more appropriate functional mathematics skills qualification for those working with young children.[343] When questioned on this issue, Minister Coutinho said that the pedagogy of early years numeracy and mathematics "seems to be indifferent to the GCSE qualification or the level 2 functional maths qualification", and that she was keen to "make sure people do not face barriers to getting that higher-level qualification when they are perfectly capable of delivering on the skillset needed for that qualification."[344]

111. We heard from a wide range of contributors that the current GCSE requirements for early years staff, particularly the Maths GCSE, were a barrier to recruitment for early years staff and did not reflect the maths skills or knowledge required to teach in the early years.[345] On 31 May 2023 the DfE announced a consultation into proposed changes to

335 Department for Education, *Early years qualifications achieved in the United Kingdom: guidance* (June 2023)
336 Sutton Trust, 'Early Years', accessed 7 July 2023
337 Q107 [Gemma Rolstone]; Childminder Roundtable Summary (CEY1724)
338 Q100 [Gemma Rolstone]
339 Q104 [Dr Grenier]; Q107 [Gemma Rolstone]
340 Jo Blanden et al., "Quantity and quality of childcare and children's educational outcomes", Journal of Population Economics, vol 35 (2021), pp 785–828
341 Q104 [Dr Grenier]
342 Q106 [Professor Greenway]
343 Early Childhood Studies Degree Network (CEY1459)
344 Q296 [Claire Coutinho]
345 Babraham Nursery (CEY1536); British Educational Suppliers Association (CEY1576); Greater Manchester Combined Authority (CEY1612); Bristol City Council (CEY1456)

the EYFS, including the potential removal of the requirement for Maths GCSE for staff to count towards the Level 3 ratios. This requirement may instead be moved to managers only.[346]

Graduates

112. There was more consensus on the benefits of graduates in increasing quality in settings, especially for disadvantaged pupils.[347] Research by the Education Policy Institute found a "small but positive" relationship between the presence of degree-qualified staff and children's outcomes.[348] A 2016 paper by Jo Blanden et al on 'Universal Pre-school Education' pointed to the importance of graduate leaders as a "key driver" of observed quality, and provided analysis linking the presence of graduate staff to better school outcomes for children.[349] However, Professor Eva Lloyd from the International Centre for the Study of the Mixed Economy of Childcare commented that "obviously, graduates do make a difference" but only "if they have sufficient practical experiences, and they really know about the challenges of working with young children for long days in day care".[350] We were encouraged to see the Government acknowledge the "positive impact" of graduates in the early years workforce on setting quality in their 2017 Early Years Workforce Strategy, where they commented that they "want to support the sector to grow the graduate early years workforce.[351]

113. Well-qualified professionals and graduates are needed to lead the profession, but to attract and retain such employees salaries need to be higher. Laura Barbour from the Sutton Trust called for "a well-qualified, high-status and better rewarded profession across the whole sector" but noted that "low salaries and a lack of career status are leading to a recruitment and retention crisis. This is in turn driving down quality".[352] Neil Leitch from the Early Years Alliance said that the sector needed more graduates but ensuring everyone has a degree level qualification is currently "unaffordable" and would not be effective until perceptions around the early years as a career changes.[353]

114. Many contributors spoke of the significant impact and success of the Graduate Leader Fund (GLF). The GLF ran from 2006 to 2011 and provided private, voluntary and independent (PVI) settings with financial incentives to recruit graduates. Graduate leadership is already a requirement in the Maintained Sector. The final evaluation report found that "settings which gained a graduate leader with [Early years Professional Status] made significant improvements in quality for pre-school children (aged 30 months to 5 years) as compared with settings which did not".[354] Both the Education Policy Institute (EPI) and the Sutton Trust recommended reinstating GLF, with EPI noting that it had many characteristics of success, such as sufficient funding, a strong evidence base, and that it was part of a wider workforce strategy.[355] Laura Barbour from the Sutton Trust

346 Department for Education, *Early years foundation stage (EYFS): regulatory changes* (May 2023)
347 Q94 [Dr Grenier]
348 Education Policy Institute, *Early years workforce qualifications and children's outcomes* (December 2020), p 47
349 Jo Blanden et al., "Universal Pre-school Education: The Case of Public Funding with Private Provision", vol 126 (2016), pp 682–723
350 Q215 [Professor Lloyd]
351 Department for Education, *Early Years Workforce Strategy* (March 2017), p 14
352 Q32 [Laura Barbour]
353 Q38 [Neil Leitch]
354 Department for Education, *Graduate Leader Fund: evaluation* (July 2011), p 6
355 Education Policy Institute, *Early years workforce development in England: Key ingredients and missed opportunities* (January 2020), p 6

said that the fund not only allowed staff to advance their training while they are in the settings but also, when they achieved their higher qualifications, enabled settings to reward them with a higher salary.[356] These elements were also key to its success. As we heard from Professor Greenway and others, however, not everyone has to be a teacher, or a graduate, but that there should be a "range of qualifications".[357] The Sutton Trust also recommended renaming it as the 'Leadership Quality Fund', to support a wider range of qualifications.[358] EPI also called urgently for more Government research on the optimal mix of qualifications that lead to quality in the UK's ECEC sector.[359]

Staff:child ratios

115. Another structural indicator used to assess quality is a setting's staff:child ratio. Laura Barbour from the Sutton Trust said that its research has shown a favourable adult-to-child ratio to be "one of the most important" indicators of quality" as it promotes more "adult-child education" which is linked to better outcomes.[360] As explained above, early years providers working with children from 0 to 5 years old must follow the regulations staff:child ratios as set out in Statutory Framework for the Early Years Foundation Stage (EYFS). The minimum ratio requirements vary according to the age of the child and the qualification level of staff.[361] There is no maximum staff:child ratio, and providers have flexibility to provide care above the minimum ratio requirements.

116. In the 2023 Spring Budget, the Government announced it planned to go ahead with changes to lower the minimum staff:child ratio for 2-year-olds from 1:4 to 1:5. Providers are still able to operate at above this minimum ratio requirements. This is somewhat surprising, since the results of its own consultation on the topic found that most respondents disagreed with the proposals, often strongly. This was a consistent finding across all the different types of respondents, such as parents, group-based providers and organisations representing the sector. The consultation reported "strong concerns" that relaxing ratios would compromise their quality of care, put children's safety at risk, or put additional strain on their existing staff by increasing the number of children they are responsible for. Particular concerns about the negative impact on children with SEND were raised, as well as the impact on the disadvantage gap, with wealthier parents being more likely to access high-quality care with lower ratios than less wealthy parents.[362]

117. We heard similarly strong disapproval from most contributors to our inquiry, who were adamant that it would lead to a reduction in quality for children. Gemma Rolstone from Puffins Childcare said that ECEC would become "crowd control and nothing more".[363] Kara Jewell, Childminder and Nursery Director at Sparkle Lodge Early Years, a nursery, simply told us that "increased ratio means less support".[364] Speech and Language UK also said that this will "only lead to normalising an insufficient level of staff".[365] Parents

356 Q33 [Laura Barbour]
357 Q94 [Professor Greenway]
358 Sutton Trust (CEY1502)
359 Education Policy Institute (CEY1557)
360 Q43 [Laura Barbour]
361 Department for Education, *Statutory framework for the early years foundation stage* (March 2021), pp 28–32
362 Department for Education, *Childcare Regulatory Changes: Government consultation response* (March 2003), pp 7–11
363 Q91 [Gemma Rolstone]
364 Q94 [Kara Jewell]
365 Speech and Language UK (CEY1489)

rejected the proposal outright, commenting that they were "horrified" at the proposals, which they believed would lower quality and increase risks for children.[366] Onward's 'First Steps' report found that of a long list of suggested childcare policy interventions polled in their research, the only policy with net opposition from parents was relaxing staff:child ratios, which was opposed by 52% of parents.[367] Organisations representing the sector, such as the Early Years Alliance, said that the change would be "disastrous" and would not be supported by the sector.[368]

118. The Government's motivation appears to be to reduce costs for parents by increasing flexibility for providers. The Department for Education stated that the proposed changes to the ratio could reduce childcare costs by up to £40 for a family paying £265 per week.[369] Policy Exchange was an outlier in welcoming these changes to reduce parental costs. In its 2022 report 'Better Childcare', it commented that "there is a clear rationale to loosen staff-child ratios in the UK, due to the impact on cost and because there is unclear evidence as to their educational and developmental impact".[370] Christine Farquharson from the IFS said that it is "plausible that there will be some reduction, at least in the cost of provision" as staffing is the primary cost in ECEC settings.[371]

119. However, Farquharson challenged whether the policy was deliverable, and whether planned cost-savings would materialise. Ratio minimums are not mandatory and most providers, she said, "do not want to touch this with a bargepole" as parents "won't want it, won't sign up". She also commented that a 25% increase in workload without an accompanying pay rise, if costs are indeed passed onto parents, would also be a "difficult sell" to the already over-stretched and underpaid childcare workforce, and may exacerbate the recruitment crisis.[372] The proposal is not supported by the sector, with 9/10 of the 9,000 Early Years Alliance members surveyed saying that they will not implement the changes.[373] Helen Donohoe from PACEY said childcare professionals saw the change as "a kick in the teeth".[374] Without the staff to deliver the care, or the parents to choose it, it seems unlikely that cost savings would be realised. Additionally, as outlined by the Education Policy Institute, it is unlikely that reduced staffing costs will be passed onto parents.[375] A 2022 survey run by the DfE on changes to staff:child ratios found that while somewhere between 15–18% of settings may see some initial financial gain, of those settings, 64% reported that none of the gain would be passed on to parents through reduced fees.[376]

120. The second line of the Government's reasoning appears to be that this change brings the UK more in line with Scotland and other comparable nations.[377] In its 2022 report 'The Changing Cost of Childcare', the IFS found that "internationally, the UK ratios appear to be more of an outlier", with some of the tightest in Europe for 1 and 2-year-olds. However, they also note that this "does not necessarily mean that they should be relaxed". Tighter

366 Summary of written evidence submitted by parents (CEY1716)
367 Onward, *First Steps: Fixing Childcare* (December 2022), p 50
368 Q42 [Neil Leitch]
369 HM Treasury, *Spring Budget 2023* (March 2023); "*Drive to reduce the cost of childcare for parents*", Department for Education Press Release, 4 July 2022
370 Policy Exchange, *Better Childcare* (August 2022), p 44
371 Q219 [Christine Farquharson]
372 Q219 [Christine Farquharson]
373 Q42 [Neil Leitch]
374 Q47 [Helen Donohoe]
375 Education Policy Institute, 'EPI responds to Spring Budget 2023', accessed 7 July 2023
376 Department for Education, *Findings from the early years staff:child ratio consultation survey* (March 2022), p 9
377 Q275 [Claire Coutinho]; HM Treasury, *Spring Budget 2023* (March 2023), pp 54, 102

staff-to-child ratios, it argues, might be a way of compensating for looser requirements on staff qualifications. Particularly for core practitioners working with younger children, as the UK has less stringent qualification requirements than comparable countries.[378] For example, ratio requirements in Scotland for 2-year- olds are 1:5, but the qualification requirements for staff are higher, with all lead practitioners required to be qualified to degree level.[379] It seems clear that reducing the ratio requirements without simultaneously investing in raising the qualification level of the early years workforce could have negative consequences on the quality of childcare provision.

121. **Where children are in Early Childhood Care and Education, it should be a high-quality, safe and supportive environment. ECEC should primarily be for the benefit of children. Prioritising the 'quantity' of available childcare to get parents back to work over the 'quality' of that childcare risks damaging children's development and widening the disadvantage gap. Increasing the availability, quality and affordability of childcare will be the only way to ensure parental buy in and take up.**

122. **We note that there is less data about the benefits of formal ECEC on children under two years old as studies have focused on children who were receiving the funded entitlement. It will be important to ensure that there is a robust evidence base for this age group is developed as the entitlement expansions take place.**

123. ***We recommend that the Government's controversial changes to staff:child ratios be closely monitored and reversed if quality and education outcomes are seen to suffer. If the Government's goal is truly to "bring the UK in line with Scotland and comparable countries", this change should be accompanied by a strong focus on developing staff qualifications to the comparable level in these countries. This should be supported by a larger piece of Government research to better determine the optimal mix of qualification in early years settings.***

124. ***In the short term, to prevent the existing qualification levels of falling any further, the Level 2 English and maths requirements for ECEC staff to count in staff:child ratios should be reviewed , and alternatives considered that are more tailored to the early years sector. When considering the results of the consultation on this matter, the Government should ensure that any changes to this requirement ensure that quality of numeracy teaching is a priority.***

125. ***The Government has acknowledged the importance of graduate leadership in the ECEC sector. It should now listen to sector-wide calls for an equivalent of the Graduate Leader's Fund to be reintroduced. We recommend that this is given a broader name, such as the 'Leadership Quality Fund', and that it can accommodate a wide variety of professional ECEC qualifications.***

378 Institute for Fiscal Studies, *The Changing Cost of Childcare,* (May 2022), p 3

379 *Staff to child ratios in early years childcare*, Research Briefing, November 2022; Care Inspectorate, *Guidance on adult to child ratios in early learning and childcare settings* (March 2018), p 3

5 Careers for the Early Years Workforce

Recruitment and retention

126. Partly as a result of the market issues explored in Chapter 2, we heard that the early years sector is facing a recruitment and retention crisis. Staff are leaving the sector at an unprecedented rate. In 2019, the National Day Nurseries Association (NDNA) found that staff turnover is at 24%, compared to the UK average of 15% or 18%.[380] Helen Donohoe from PACEY said that "people are leaving because they can earn more money in a more flexible environment in an Amazon warehouse or a supermarket". She also said that fewer people are joining the sector because of the lack of obvious career progression: "for a young person at a school or college, there is no sense that this is a valued career or a recognised career to go into".[381] According to Coram's 2023 annual Childcare Survey, 71% of local authorities say that local childcare settings are finding it "very difficult" to recruit staff with the required qualifications and experience.[382]

127. This high turnover is affecting the quality and stability of early years education for children. The already low qualification levels are being affected by a higher proportion of qualified staff leaving the sector. According to the NDNA's 2019 survey, the highest number of staff leaving are Level 3 trained staff.[383] Additionally, as outlined by the British Psychological Society, the lack of stability in the early years workforce has implications for children, who benefit from developing relationships and attachments with their carers who can provide a personalised approach to learning and development and who are trained to identify potential special needs.[384] High turnover was a serious concern for many parents who wrote to us, many of whom commented that this negatively impacts their children's learning and ability to form bonds with their carers. One parent said:

> There is constant staff turnover so inconsistencies in care. This also increases stress levels for the children as they are unable to form attachments and the number of agency staff from a safeguarding point of view is concerning. You are leaving a vulnerable child in the care of people you have no relationship with.[385]

128. The early years workforce is also underpaid. A 2020 report by the Social Mobility Commission on 'The Stability of the Early Years Workforce' found that the average wage for an early years practitioner is only £7.42 an hour, less than the minimum wage and much lower than for the average female workforce (£11.37).[386] Kara Jewell from Sparkle Lodge Early Years told us that if she could pay her staff what they were worth she "would be paying them in gold" for the hard work that they do.[387] As Helen Donohoe from PACEY commented, this is contributing to a high level of workface deprivation.[388] A 2019 report by the EPI found that the proportion of childcare workers claiming state benefits

380 Q32 [Laura Barbour]; National Day Nurseries Association, *NDNA 2018/19 Workforce Survey England* (June 2019), p 11
381 Q33 [Helen Donohoe]
382 Coram Family and Childcare, *Childcare Survey 2023* (March 2023), p 34
383 National Day Nurseries Association, *NDNA 2018/19 Workforce Survey England* (June 2019), p 11
384 British Psychological Society (CEY1708)
385 Summary of written evidence submitted by parents (CEY1716)
386 Social Mobility Commission, *The stability of the early years workforce in England* (August 2020), p 28
387 Q80 [Kara Jewell]
388 Q23 [Helen Donohoe]

or tax credits remains very high at 44.5%, higher than teachers, workers in competing occupations, and the entire female population.[389] The Early Childhood Degree Studies Network commented that "for the immense degree of work that they are involved in, it is embarrassing how, early years practitioners are often underpaid and undervalued".[390] This is a significant barrier to recruitment and affects staff morale.

129. Many providers told us about the long hours expected of staff and the stress that they face when trying to take time off.[391] Childminders often have even longer days, as they are more likely to offer after hours care. Kara Jewell from Sparkle Lodge Early Years noted that a 14-hour day was "quite standard".[392] The Social Mobility Commission's 2020 report also found that early years workers work significantly longer hours than people in comparable occupations, with 11% working longer than 42 hours per week, compared with 3% of retail workers and 6% of female workers. This leads to exhaustion and low morale.[393]

130. In its written evidence for this inquiry, the DfE acknowledged these challenges and noted that "supporting this workforce continues to be a priority". They have committed to forming an "expert advisory group" to inform their early years workforce policy.[394] The Department did release an Early Years Workforce Strategy in 2017. However, the trends identified in this strategy are still present and pressing in this inquiry, including difficulties recruiting qualified staff, low professional development, and problems improving quality.[395] A 2020 report from the Education Policy Institute titled 'Early years workforce development in England: Key ingredients and missed opportunities' found that the present government still lacks a long-term strategy to develop the early years workforce.[396] Multiple witnesses called for a more coherent strategy in the early years.[397] Given the significant changes to the Government's early years policy announced in the Spring Budget, a new workforce strategy would be timely. Low pay, long hours and low status are among the issues to be addressed.

A valued profession

Recognition

131. Childcare providers, and the organisations representing them, were adamant that ECEC is not simply "glorified babysitting".[398] However, we heard that early years practitioners feel overlooked and undervalued. They feel that ECEC is perceived as a "low status" profession and not sufficiently valued by the Government.[399] We heard that

389 Education Policy Institute, *The early years workforce in England* (January 2019), p 6
390 Early Childhood Studies Degree Network (CEY1459)
391 CLEVER CLOGS DAY NURSERY LTD (CEY0018); Children's House Childcare Ltd (CEY0026); Puddle Ducks (CEY0367); Carousel Day Nursery & Pre-school Ltd (CEY0769)
392 Q109 [Kara Jewell]
393 Social Mobility Commission, *The stability of the early years workforce in England* (August 2020), p 5
394 Department for Education (CEY1714)
395 Department for Education, *Early Years Workforce Strategy* (March 2017)
396 Education Policy Institute, *Early years workforce development in England: Key ingredients and missed opportunities* (January 2020)
397 Q14 [Neil Leitch]; Q85 [Dr Grenier]; Q124 [Joeli Brearly]; Q161 [Jolanta Lasota]; Q232 [Dr Campbell]
398 YMCA England & Wales (CEY1570); National Centre for Social Research (CEY1555); Early Years Equality (CEY1715); Station House Community Association Limited (CEY0010); Mrs Tracy Holman (Outstanding childminder at Childminder) (CEY0646)
399 National Centre for Social Research (CEY1555); Greater Manchester Combined Authority (CEY1612); Nuffield Foundation (CEY1709); Summary of written evidence submitted by parents (CEY1716)

the demands of the job are little understood. While it may "seem quite simple to spend your day with young children", it is far from simple.[400] Early years work can be stressful, relentless, and "emotionally and physically demanding".[401] Professor Celia Greenway from the University of Birmingham also noted that the "emotional labour aspect of early years is overlooked" as staff are expected to shoulder the burden of care for both the children and the parents.[402] Despite these challenges, as Kara Jewell from Sparkle Lodge Early Years told us, "people in early years eat, sleep and breathe their families. They do not shut off".[403]

132. We heard that early years practitioners felt these responsibilities keenly. The strong words of the submissions we received from ECEC providers about the issues in the current system and how they were affecting children and parents was a testament to this, and could be well summarised by Early Years Equality, who spoke of staff shouldering "huge responsibilities", with "priceless" dedication.[404] Gemma Rolstone, Director of Quality at Puffins Childcare, a nursery group, told us:

> There is nothing like a mother handing you her child and saying, "You are the first adult who has ever held my child other than myself" to bring home the reality of how important our job is.[405]

Parents also understand and recognise the skill, dedication, and hard work of the staff in the settings, commenting that Nursey staff were "amazing", "fantastic" and do an "incredible job" despite working very long days. There was a marked contrast between this praise for ECEC staff, and perceived disdain for the system that rewards this with the "pitiful" wages and low status.[406]

133. Yet early years practitioners still feel undervalued for the work that they do by Government, both in resources and in words. As Helen Donohoe from PACEY commented, staff were "expected to go the extra mile but not be rewarded for all the qualifications it takes and all the work it takes".[407] Sanbrook Community Playgroup summarised the perspectives of many when it told us:

> The increasing expectations from the Government for the sector, in terms of what we are supposed to achieve and have expertise in, are not matched by any sort of recognition or respect. We still hear cabinet ministers talking about education as if it starts in Reception and as if those working with children of pre-school age aren't teaching in the same way as those working in schools with older children are.[408]

This attitude may be causing damage to early years practitioners mental health and affecting morale in the sector. Helen Donohoe told us of PACEY's survey of 1,500 childminders and

400 Q83 [Dr Grenier]
401 Q81 [Gemma Rolstone]; Q83 [Dr Grenier]
402 Q80 [Professor Greenway]
403 Q81 [Kara Jewell]
404 Early Years Equality (CEY1715)
405 Q84 [Gemma Rolstone]
406 Summary of written evidence submitted by parents (CEY1716)
407 Q34 [Helen Donohoe]
408 Sandbrook Community Playgroup (CEY0918)

early years practitioners, which found that "almost 50% of them said their mental health was depreciating" due to the "the lack of recognition and a sense that they are not valued, the same as we value nurses and firefighters as part of that public infrastructure".[409]

134. For many early years practitioners, this was highlighted by their experience during the COVID-19 pandemic. Many ECEC centres remained open during the pandemic to provide care for key workers' children and vulnerable children. However, early years practitioners said that they were not recognised for this work, unlike the other key workers and even teachers.[410] As Neil Leitch from the Early Years Alliance commented, "Schools had home testing. Early years got nothing. If they felt marginalised, we should not be shocked by that".[411] A survey conducted by the Early Years Alliance in 2021 found that for early years practitioners who were already considering leaving, the experience of working in the pandemic had increased their likelihood of doing so. One respondent said, "I don't think I have, or will, recover from those terrible months of turmoil. I am perpetually exhausted and feel utterly unappreciated and unsupported".[412]

135. Beyond the experiences of the pandemic, we heard that low morale is causing more early years practitioners to leave the sector. The Early Years Alliance conducted a survey of 1,400 providers in 2021, asking why people were leaving the sector. It found that "The single biggest reason they gave for leaving was not money. It was not pay. It was feeling undervalued by the Government. That was 77%" while pay ranked comparatively low at 54%.[413] The Princess of Wales has done important work to raise the profile of the Early Years through her Royal Foundation Centre for Early Childhood.[414] Its 2020 report 'State of the Nation: Understanding Public Attitudes to the Early Years' stressed the importance of elevating the importance of the early years period in the public consciousness.[415] The ECEC sector is independent, multi-faceted and diverse, and does not always benefit from the same structural lines of communication through local authorities as the school sector. More outreach and strong channels of communication between the sector and the Government are needed to ensure that practitioners feel both valued and heard. We welcomed Minister Coutinho expressing thanks for "the hard work and dedication of the talented people who work in this sector" in an oral statement to the House of Commons on 28 June 2023.[416] However, more concrete changes are needed to address the low morale, particularly around improving the status and pay of the profession.

Parity

Early Years and Primary School

136. We were concerned to hear of a significant divide between the pay and employment conditions of the early years staff working in nurseries and primary school staff.[417] The

409 Q33 [Helen Donohoe]
410 Oxfordshire County Council (CEY1517); Clever Clogs Day Nursery (CEY0018)
411 Q35 [Neil Leitch]
412 Early Years Alliance (CEY1139)
413 Q35 [Neil Leitch]; Early Years Alliance (CEY1139)
414 Royal Foundation of the Prince and Princess of Wales, 'Early Childhood', accessed 7 July 2023
415 Royal Foundation of the Prince and Princess of Wales, *State of the Nation: Understanding public attitudes to the early years* (November 2020), p 18
416 HC Deb, 28 June 2023, col 735 [Commons chamber]
417 Department for Education, *The early years workforce: recruitment, retention, and business planning* (April 2022)

IFS's 2021 Annual report on education spending in England showed that the early years sector receives substantially less funding per child (£4,200) than the primary sector (£5,800).[418] This is reflected in the disparities in pay. The salary for a qualified primary school teacher is between £28,000-£43,385.[419] In comparison, the salary for a nursery assistant is between £14,000-£24,000, and for a qualified early years teacher is £25,714-£36,961.[420]

137. This leads to the perception of early years professionals as lower status, which is felt keenly by the sector, damaging already low morale. Professor Greenway from the University of Birmingham commented that despite all the challenging work, high responsibilities, and legal requirements to adhere to national education standards in the EYFS, "we don't have the same status as teachers.[421] As a result, we heard staff leave the early years sector for better paid jobs in Primary Schools. The Nuffield Foundation's 2020 report on 'Understanding the Early Years Workforce' also found that the limited pay and career progression meant that practitioners "found it difficult to commit long-term to the early years sector", with some perceiving it as a "springboard" to teaching older age groups, where both were better.[422]

Private and Maintained

138. We heard that staff satisfaction in Private Voluntary or Independent (PVI) group-based providers is also lower than in public school-based providers. A 2022 report by the DfE on recruitment and retention in the early years found that average turnover rate for maintained settings was 6%. Comparative average staff turnover for PVI group-based settings was 16%, with one in five PVI settings having a turnover rate of over 25%.[423] This was attributed to factors such as favourable working hours and holidays, good salary progression, and better opportunities for personal training and development in MNS settings.

139. The Institute for the Mixed Economy of Childcare (ICMEC) and Onward both suggested that this was because private providers are investing less in their staff. The ICMEC commented that instead of up to 80% of outgoing spend being on staffing, as would be the case in the public or charitable sector, in the PVI sector staffing costs may be as low as 55% of outgoings.[424] Onward made a similar calculation, estimating that private firms are investing 14% less in their staff than those in the not-for-profit sector.[425] This is supported by a 2020 report by the Social Mobility Commission on the 'Stability of the Early Years Workforce' that found "clear differences in pay levels" between provider types, favouring the public sector. On average, it reports, public sector workers earn £8.43 per hour while private sector workers earn £7.10 per hour.[426]

418 Institute for Fiscal Studies, *2021 annual report on education spending in England* (November 2021), pp 5–6
419 Department for Education, 'Teacher salaries and pay scales', accessed 7 July 2023
420 National Careers Service, 'Nursery worker'; National Careers Service, 'Early years teacher', all accessed 7 July 2023
421 Q80 [Professor Greenway]
422 Nuffield Foundation, *Understanding the Early Years Workforce* (February 2020), p 18
423 Department for Education, *The early years workforce: recruitment, retention, and business planning* (April 2022) p 51
424 Professor Eva Lloyd OBE (Professor of Early Childhood at University of East London); Professor Helen Penn (Professor Emerita at University of East London) (CEY1305)
425 Onward, *First Steps: Fixing Childcare* (December 2022), p.7
426 Social Mobility Commission, *The stability of the early years workforce in England* (August 2020), p 32

140. This has been exacerbated by what several witnesses identified as the increasing level of private equity acquisition of ECEC providers. The Women's Budget Group told us that there has been a rapid privatisation of early education and childcare in England with 84% now delivered by for-profit providers, compared to 3% in Germany or 4% in France.[427] A 2022 report from the Nuffield Foundation and the UCL Social Research Institute, 'Acquisitions, Mergers and Debt: the new language of childcare' found "clear patterns" of acquisitions, mergers and debt, and heavy borrowing in the UK private-for-profit childcare market. This has led to "a strong focus on short-term financial returns" for many settings. Financial returns are then not passed on to staff, with "increasing executive remuneration and rewards for the private equity holding company at the same time that the subsidiaries are making losses".[428] Given the wider sustainability challenge, there is an argument that private sector investment is required to maintain consistency and quality in the sector.

141. Staff retention issues in this sector may have a wider knock-on impact on the provision of childcare in other parts of the market. Most under-fives in England who attend early childhood education and care provision do so in the private-for-profit childcare sector, which provides a significant majority of funded places. DfE's 2022 Childcare and the Early Years Provider Survey found that almost two thirds of nurseries classified themselves as 'private for profit'.[429] Private sector providers often offer more flexibility, with wrap around childcare and non-term-time hours. The public sector provides fewer hours from maintained nursery schools and primary school nursery classes, usually limited to term time provision. Market-based ECEC systems were argued to have several advantages, including the ability to expand supply quickly in line with demand.[430] High staff turnover, which affects the stability and quality that children receive in a setting, would be particularly damaging in the private-for-profit part of the market. It may also mean that this part of the market struggles to expand to meet the increased demand in funded places. The Social Mobility Commission's 2020 report also observed that PVI settings are "less stable" than maintained settings, which offer higher pay and better benefits at all qualification levels.[431]

142. Professor Eva Lloyd from the International Centre for the Study of the Mixed Economy of Childcare commented that expansions of private-for-profit engagement in the sector often accompany large influxes of public money into the system, such as we are now seeing with the expanded funded-hours entitlements in the Spring Budget. For this to be an effective investment, she noted that "conditionality" is important, otherwise "money will not arrive where it is most needed".[432] The UK Women's Budget Group also recommended attaching conditionality to funding to drive up standards in the sector and increase equitable provision.[433] Professor Lloyd also specified that these conditions should be related to staff pay to improve working conditions in the sector, as has recently

427 Women's Budget Group (CEY1348)
428 UCL Social Research Institute and Nuffield Foundation, *Acquisitions, Mergers and Debt: the new language of childcare* (January 2022), pp 9, 44, 46
429 Department for Education, *Childcare and early years provider survey* (May 2023)
430 UCL Social Research Institute and Nuffield Foundation, *Acquisitions, Mergers and Debt: the new language of childcare* (January 2022), p 7
431 Social Mobility Commission, *The stability of the early years workforce in England* (August 2020), p 33
432 Q192 [Professor Lloyd]
433 Women's Budget Group (CEY1348)

been done in Ireland.[434] Ireland's 2018 First 5 Strategy outlined a new funding model for the early years Sector whereby settings are funded to meet certain quality indicators, including qualification levels and supportive working conditions for staff.[435]

Careers

143. Strongly related to issues of parity are persistent questions about staff qualifications and career development in the early years workforce. Qualifications are a helpful, if not an exclusive, indicator of quality in Early Year settings. They are also indicators of workforce professional development opportunities. The EPI expressed its concern that qualification levels may become even lower in the future because the proportion of childcare workers studying towards a higher qualification has fallen from 22.7% in 2008 to 14.9% in 2018.[436] We have not conducted a comprehensive review of early years qualifications, but our witnesses raised issues around leadership qualifications, continuous professional development (CPD) and the English and maths requirements for Level 3 staff (discussed in Chapter 3). The questions were summarised by Dr Julian Grenier from Sheringham Nursery School and Children's Centre, who asked:

> Why do we have early years teacher status that pays half the salary of qualified teacher status? Why do qualified teachers get a two-year early career framework that is funded, and early years teachers get no follow-on support at all? Why do our level 3s get such poor access to continuing professional development? It is because early years is seen still as the Cinderella, the poor relation.[437]

Leadership Qualifications

144. There is a strongly felt lack of parity in leadership qualifications between schools and early years settings. Early Years Teacher Status (EYTS) was introduced in 2013 as a Level 6 qualification. Some bursaries are available for this route.[438] Contributors to the inquiry spoke about how Early Years Initial Teacher Training (EYITT) leading to EYTS is seen as less desirable than Qualified Teacher Status (QTS), despite them having the same entry requirements.[439] Staff with QTS can teach in early years settings, but not vice versa, and therefore the EYTS is seen as restricting people and limiting opportunity.[440] The Sutton Trust argued in its 2020 'Early Years Workforce Review' that because the EYTS is not recognised as carrying the enhanced pay, status and conditions of employment expected, this route has limited attractiveness to potential candidates and limited impact on the quality of leadership in the sector.[441] It also advocated for bringing the EYTS and QTS pathways together "with a new EY specialist QTS and conversion courses for those already qualified to achieve equity of status and so attractiveness to the workforce".[442]

434 Q218 [Professor Lloyd]
435 Government of Ireland, *First 5: A Whole-of-Government Strategy for Babies, Young Children and their Families 2019–2028* (November 2018), p 175
436 Education Policy Institute, *The early years workforce in England* (January 2019), p 6
437 Q94 [Dr Grenier]
438 Department for Education, *Early years initial teacher training: 2022 to 2023 funding guidance* (March 2023)
439 Q36 [Laura Barbour]
440 Q94 [Professor Greenway]
441 Sutton Trust, *Early Years Workforce Review* (August 2020), p 6
442 Sutton Trust, *Early Years Workforce Review* (August 2020), p 34

145. DfE's decision in 2021 to expand the National Professional Qualification portfolio with a leadership qualification for early years practitioners is welcome. The National Professional Qualification in Early Years Leadership (NPQEYL) was introduced for staff qualified to at least Level 3 who want to develop leadership or managerial skills in the early years. It is accessible across all settings, including maintained, private voluntary and independent (PVI) settings, and childminders.[443] Funded places are available, with 1,809 funded courses underway as of 2022 across England.[444] It was surprising that we heard very little about NPQs in our inquiry. This indicates that there is still low awareness of this new qualification avenue in the sector.

Continuous Professional Development (CPD)

146. We heard that early years practitioners are facing time and cost barriers to undertaking training, which is limiting their opportunities for professional development. Early years practitioners are required to undertake mandatory training in paediatric first aid and safeguarding, as well as food hygiene for those preparing food.[445] Local Authorities are required to provide information, advice and training for all early years and childcare providers on meeting the requirements of the EYFS, meeting the needs of children with special educational needs and disabilities, and safeguarding.[446] Some providers also offer training in their own pedagogical practices and methods.[447] Providers also need to support staff in undertaking continuous professional development (CPD) by studying for high qualifications.[448]

147. Early years professionals are keen to develop their skills and pursue CPD opportunities. Dr Julian Grenier from Sheringham Nursery School and Children's Centre, which is also an Early Years Stronger Practice Hub, said that "there is a huge demand for professional learning across practitioners with no qualifications all the way through to level 2, 3".[449] Additionally, we heard that the training is available, often online, and is generally of good quality. However, it is often not possible for early years providers to spare staff to undergo more than the mandatory training.[450] Gemma Rolstone from Puffins Childcare told us that providers must have enough staff available to be able to release staff for training.[451] We also heard that training providers offer courses mostly in working hours, which means some staff who work longer hours find them hard to access.[452] Professor Celia Greenway from the University of Birmingham commented again on the disparity between schools and years settings around training, commenting that training is "built into the way the school is managed", but the same is not true for early years settings as the funding is not the same.[453]

148. We also heard that the costs of both mandatory and CPD training can be a barrier. One nursery, Think for the Future Tots, told us that high quality training in the sector

443 HM Government, 'Early years leadership', accessed 7 July 2023; Department for Education, *National Professional Qualification (NPQ): Early Years Leadership Framework* (October 2021)
444 Department for Education, 'National professional qualifications', accessed 7 July 2023
445 Department for Education, *Statutory framework for the early years foundation stage* (March 2021), p 26
446 Department for Education, *Early education and childcare* (April 2023), p 33
447 Q99 [Gemma Rolstone]
448 Department for Education, *Statutory framework for the early years foundation stage* (March 2021), p 26
449 Q97 [Dr Grenier]; Department for Education, 'Early Years stronger practice hubs', accessed 7 July 2023
450 Qq108–9 [Emma Gardner]
451 Q81 [Gemma Rolstone]
452 Q109 [Kara Jewell]
453 Q96 [Professor Greenway]

often costs so much that only one or two staff members in a setting are able to attend.[454] Babraham Nursey also told us that although CPD is vital, due to current financial constraints and a lack of adequate funding, "this is not an option for many".[455] CPD courses used to be supported by the Government. However, in its workforce review, the Sutton Trust commented that over the last 10 years the number of funding opportunities for CPD in the sector has fallen, which has led to a "depression in qualification levels in many settings" and difficulties in recruitment and retention of qualified staff, particularly in PVI sectors.[456] Nesta, a social innovation agency, also commented that if funding for staff CPD is left to providers, most of which are in the PVI sector, "there is a risk that they will not sufficiently invest in their staff skills".[457] An additional cost that many providers cannot afford is the cost of the higher salary that should accompany a high qualification. This means that there is little incentive for practitioners to pursue further qualifications and training.

149. There were many calls for more funding for mandatory training and CPD. The Federation of Small Businesses, for example, called on the Government to work with Local Authorities to facilitate better access to free mandatory training courses at a minimum level.[458] The Government is providing up to £180 million in support for workforce training and qualification development in the early years as part of the 'Early Years education recovery programme'.[459] This is welcome, but we heard that more long-term commitments to developing the early years workforce will be necessary. This is because even with better access to training support, there is limited incentive for early years practitioners to engage in training without the incentive of higher salaries. Simply funding training will not be enough.

150. There were even more calls for comprehensive structural support, including a career framework for the early years. Contributors complimented the success of the Early Career Framework (ECF), which was introduced in 2019. The ECF underpins an entitlement to a fully funded, two-year package of structured training and support for early career teachers. This includes funding for off-timetable time for learning, creating free high-quality training materials, establishing high quality training programmes, funding time for mentors and funded mentor training.[460] The introduction to the ECF guidance says that "Teachers deserve high quality support throughout their careers, particularly in those first years of teaching when the learning curve is steepest".[461] Early years practitioners deserve this too. Multiple contributors recommended expanding the ECF to the early years. This could address multiple issues identified in this inquiry, including the lack of support for CPD, as well as perceptions of the early years sector as low status relative to the school sector. Adam Hawksbee, Deputy Director at Onward, a think tank, said that the ECF has "worked very well in teaching and should be moved across".[462] Dr Julian

454 Think for the Future Tots (CEY0168)
455 Babraham Nursery (CEY1536)
456 Sutton Trust, *Early Years Workforce Review* (August 2020), pp 6–7
457 Nesta (CEY1483)
458 Federation of Small Businesses (CEY1340)
459 Department for Education, 'Early years education recovery programme: supporting the sector', accessed 7 July 2023
460 Department for Education, *Early Career Framework* (January 2019), p 6
461 Department for Education, *Early Career Framework* (January 2019), p 4
462 Q240 [Adam Hawksbee]

Grenier from Sheringham Nursery School and Children's Centre was also hopeful about this proposal, commenting that the ECF is "ambitious and well-planned" and that "it is perfectly possible to achieve this" in the early years sector.[463]

151. Given the significant announcements in the 2023 Spring Budget, the 2017 Early Years workforce strategy is long overdue an update. The early years workforce is struggling, qualification levels are declining, and there are legitimate questions from providers about whether they will be able to meet the proposed expansions.[464] One of the most consistent recommendations made by our contributors, including providers, academics, think tanks, representative organisations, and councils was that the Government should develop a robust early years strategy to deal with recruitment, retention, and career pathways. Many also suggested that it also cover qualification levels, especially in light of the staff:child ratio changes, as well as pay, funding arrangements and equity of access. This should be accompanied by sufficient, long-term funding.[465] As Neil Leitch from the Early Years Alliance pointed out, "we deal with one crisis after one crisis after one crisis, but there is no vision and no strategy. Until we get that, we will just flounder along".[466]Minister Coutinho's announcement in an oral statement on 28 June that the DFE will be running a national recruitment and retention campaign in 2024 is a welcome first step.[467]

152. **Early years professionals are vitally important. We recommend career development for early years practitioners be made an urgent priority in order to attract and retain more people in the profession. We are concerned about lack of parity of esteem between early years settings and primary schools.**

153. ***We recommend the Government engage with Local Authorities and seek to address the cost of mandatory training required by early years professionals, such as paediatric first aid and safeguarding courses. Local Authorities should work towards providing free or heavily reduced mandatory training for early years practitioners and also allow more flexibility with timing to limit the impact on provider business, for example by offering evening courses.***

154. ***We recommend the Government ensure that the early years Sector is seen to be, and feels itself to be, a valued profession. To achieve this, we recommend the Government develop a comprehensive Early Years Strategy with a strong focus on workforce development. As part of this strategy, the Early Career Framework should be expanded to the early years sector. National Professional Qualifications (NPQs) should also be promoted more widely to increase uptake, including with Private, Voluntary and Independent (PVI) settings. We also recommend that the Government works to develop their outreach and communication channels with the early years sector to ensure that their voices are heard in the years to come.***

463 Q98 [Dr Grenier]

464 Childminder Roundtable Summary (CEY1724)

465 Q124 [Victoria Benson]; Dr Nathan Archer (Director at Leeds Beckett University) (CEY0642); Leeds City Council (CEY1074); London Early Years Foundation (CEY1265); Ambitious about Autism (CEY1204); Save the Children UK (CEY1343); Women's Budget Group (CEY1348); Oldham Council (CEY1470); Dr Jana Javornik (Associate Professor at University of Leeds, Leeds University Business School) (CEY1476); Guide dogs (CEY1482); Speech and Language UK (CEY1489); The Local Government Association (CEY1498); UK Committee for UNICEF (CEY1533); IPPR (CEY1540); National Day Nurseries Association (CEY1568); Nuffield Foundation (CEY1709)

466 Q14 [Neil Leitch]

467 HC Deb, 28 June 2023, col 735 [Commons chamber]

155. ***Staff development and promotions in Early Years settings should be met with higher pay. We recommend the Government consider how best to incentivise and fund settings to do this, for example by setting standards for staff pay as a condition for receiving funding for the 30-hours entitlement.***

6 Special Educational Needs and Disabilities

Special Education Needs and Disabilities in the Early Years

Early Identification

156. Formal Early Childhood Education and Care can be hugely beneficial for children with Special Educational Needs and Disabilities (SEND) as it helps educators and families identify emerging needs early on in a child's life. The Government has recognised the importance of early intervention in their SEND Code of Practice ('the Code'), which stated that "identifying need at the earliest point, and then making effective provision, improves long-term outcomes for children". The Code also noted the case for early identification is strong because "in all cases" it can "significantly reduce the need for more costly interventions at a later stage".[468] When writing to us for this inquiry, the Department for Education recognised that early intervention was "fundamentally important".[469]

157. Early identification of a child's needs can also benefit the families of children with SEND and lead to more productive relationships between families and support services. As noted in Chapter 2, the wider SEND system was generally seen as complex and adversarial, negatively impacting parental trust. However, Ambitious about Autism, a charity representing autistic children, noted that early intervention improves the information and education available to the parent or carer about their child's additional needs, helping them better prepare their child for school.[470] Both Jolanta Lasota from Ambitious about Autism, and Mary Mulvey-Oates from Contact, told us that having a well-trained early years workforce delivering early interventions can help create positive discussions with a child's family about disability that focus on their strengths and opportunities.[471] Lasota said that when parents worked alongside professionals who understood their needs, "their trust increased and their stress decreased".[472] Benefiting the families benefited the children in turn, as more open conversations about educational development supported parents in creating a quality home learning environment, which is key to improving children's outcomes.[473]

158. Early years settings had an important role to play in both identifying and supporting children with SEND. ECEC practitioners are trained in child development and are often well able to identify emerging SEN characteristics and provide SEN support. The Early Years Foundation Stage (EYFS) statutory framework mandates that all early years providers are required to have arrangements in place to identify and support children with SEND.[474] All providers who are funded by the local authority to deliver early education places must

468 Department for Education, Department for Health and Social Care, *SEND code of practice: 0 to 25 years* (January 2015), pp 79, 85
469 Department for Education (CEY1714)
470 Ambitious about Autism (CEY1204)
471 Q177 [Mary Mulvey-Oates]; Q179 [Jolanta Lasota]
472 Q179 [Jolanta Lasota]
473 Department for Education, *Effective pre-school, primary and secondary education project (EPPSE 3–16+)* (June 2015), pp 16, 19
474 Department for Education, *Statutory framework for the early years foundation stage* (March 2021), p 37

have regard to the SEND Code of Practice.[475] Much provision for children with SEND is therefore done directly by the early years provider. The SEND Code of Practice states that early years settings should adopt a graduated approach with four stages of action: assess, plan, do and review. If the child has not made expected progress after these stages, the setting could consider requesting additional support through an Education, Health and Care (EHC) Plan, discussed further below. MNSs are also required to identify a member of staff to act as a Special Educational Needs Co-ordinator (SENCO). Private, voluntary and independent providers are "expected", and childminders are "encouraged", to do the same.[476] SENCOs must be a qualified teacher, and their duty is to manage and implement the setting's special educational needs (SEN) policy. The Government runs a National SENCO qualification.[477]

159. However, despite the widely understood importance of early identification, we heard from many organisations in this inquiry that early indicators of SEND in children were being missed in early years settings.[478] For example, the Tapton School Academy Trust raised concerns that "early and obvious" signs of SEN are not being identified quickly enough, and Babraham Nursery noted that the "failing system" was allowing children with SEND to go unidentified.[479] We heard serious concerns over both the long and short-term effects of this lack of early identification. Professor Celia Greenway from the University of Birmingham told the Committee that "the post-diagnostic support that needs to be put in early is not being put in early".[480] Gemma Rolstone from Puffins Childcare told the Committee that failures in early identification can also lead to ongoing problems with sleep patterns, eating and toileting in children.[481] It was worrying to see that what the Government has identified as a "fundamentally important" aspect of the SEND support system is being missed on such a noticeable scale.[482] It was also interesting that despite the Government's support for supporting children with SEND, we still hear from witnesses in this inquiry such as Jolanta Lasota from Ambitious about Autism that "we don't have a culture of early diagnosis and support in this country".[483] There are several factors that we heard are contributing to the lack of early identification, which will be discussed below in the sections on funding and training.

Rising need

160. It is important to recognise that a contributing factor to the difficulties of early identification and support is the significant rise in the numbers of children presenting with SEND. This is leaving providers struggling to cope. Over 1.5 million pupils of all education

475 Department for Education, Department for Health, *Special educational needs and disability code of practice: 0 to 25 years* (January 2015), p 79
476 Department for Education, Department for Health, *Special educational needs and disability code of practice: 0 to 25 years* (January 2015), p 79
477 National College for Teaching and Leadership, *National Award for Special Educational Needs Co-ordinator: learning outcomes* (April 2014) p 3
478 Ambitious about Autism (CEY1204); Oxfordshire County Council (CEY1517); The National Lottery Community Fund (CEY1549); IPSEA (Independent Provider of Special Education Advice) (CEY1563); British Educational Suppliers Association (CEY1576); Greater Manchester Combined Authority (CEY1612); Post Pandemic Childcare coalition (CEY1667); Nottingham City Council (CEY1711)
479 Tapton School Academy Trust (CEY1475); Babraham Nursery (CEY1536)
480 Q115 [Professor Greenway]
481 Q116 [Gemma Rolstone]
482 Department for Education (CEY1714)
483 Q159 [Jolanta Lasota]

ages are now identified as having SEND.[484] DfE data on children with SEND falls into two categories: those who access SEN support, and those who have an Education Health and Care (EHC) plan.[485] In both categories, numbers have increased. The percentage of pupils with an EHC plan has increased from 2.8% in 2016, to 4.0% in 2022 and 4.3% in 2023.[486] The percentage of pupils with SEN but no EHC plan (SEN support) has increased from 11.6% in 2016 to 12.6% in 2022 and 13.0% in 2023.[487] The Government noted that "both continue trend increases since 2016".[488] As a result, the number of children requiring special needs support in early years settings has increased. Between 2020 and 2023 the number of 3 and 4-year-olds in early years settings with an EHC plan rose by almost a third.[489] We heard that education disruption during the COVID-19 pandemic has also contributed to the rising need for SEND support. Research by Ofsted in 2021 found that learning disruption has had a disproportionate effect on children with disabilities, including a lack of essential services such as physiotherapy and speech and language therapy.[490] Nurseries told us that children have gone undiagnosed for longer as they have not had their usual health checks, which has led to more developed needs.[491]

161. We heard that the COVID-19 pandemic had also led to increasing developmental delays, particularly in speech and language. As Professor Eva Lloyd from the Institute for the Mixed Economy of Childcare told us, "after Covid, we have seen a really increased need for additional support for many children—children you would not have expected".[492] Coram family and childcare noted that "speech and language delays were reported across all age groups as children had fewer opportunities to develop their communication skills at home".[493] Multiple providers also reported a recent increase in developmental delays among children who were passing their early years during the pandemic, particularly in speech and social skills.[494] Government data on special needs in England in 2023 showed that the primary support need identified for the 278,600 pupils with SEN support was speech, language, and communication needs.[495] As Jane Harris, Chief Executive of from Speech and Language UK, pointed out, "It is important that we differentiate between development needs and disability" when thinking about interventions and support for parents.[496]

162. Providers were struggling to cope with the rising level of special educational need. This was impacting the workforce. Speech and Language UK noted that speech and language difficulties have a "knock-on effect on children's behaviour and wellbeing", which means that early years staff are dealing with "an increasingly challenging group of children" and

484 HM Government, 'Academic year 2022/23: special educational needs in England', accessed 7 July 2023
485 HM Government, 'Children with special educational needs and disabilities (SEND)', accessed 7 July 2023
486 Department for Education, 'Special educational needs in England: January 2016'; HM Government, 'Academic year 2021/22: Special educational needs in England'; HM Government, 'Academic year 2022/23: Special educational needs in England', all accessed 7 July 2023
487 Ibid.
488 HM Government, 'Academic year 2022/23: Special educational needs in England', accessed 7 July 2023
489 HM Government, *Provision for children under 5 in England: January 2023* (July 2023)
490 Ofsted, *SEND: old issues, new issues, next steps* (June 2021); "*Children and young people with SEND disproportionately affected by pandemic*", Ofsted press release 2021, 16 June 2021
491 Mrs Rachel Dey (Manager at Pebbles Day Nursery) (CEY0022)
492 Q220 [Professor Lloyd]
493 Coram Family and Childcare (CEY1375)
494 Mrs Rachel Dey (Manager at Pebbles Day Nursery) (CEY0022); Crigglestone Daycare (CEY0836); Mr David Wright (Nursery Group Ambassador at Paint Pots Pre-School and Nursery Ltd) (CEY0953); Be Buckfastleigh CiC (CEY0976); Leeds City Council (CEY1074); Family Action (CEY1472)
495 HM Government, 'Academic year 2022/23: Special educational needs in England', access on 7 July 2023
496 Q186 [Jolanta Lasota]

"without the knowledge and resources to support them".[497] In face of these difficulties, providers were struggling with difficulties in accessing specialist support, funding delays, and a lack of appropriately trained staff. We heard from the Local Government Association the ECEC system is struggling to keep up with the high numbers of children requiring increased support, due to "long waiting times for specialist support and a declining number of highly skilled and experienced staff". They also noted that PVI settings are struggling more than MNS settings, in part due to not having sufficient funding, and in part because they have even fewer staff available to give support.[498]

163. We heard that this has led to issues with the supply of ECEC support for children who need SEN support or have disabilities. As Emma Gardner from Spring Nurseries told us, providers must "soak up that cost into their own budgets", or "unfortunately must limit the number of spaces for children with SEND" as many children would require one-to-one support.[499] Gemma Rolstone from Puffins Childcare told us that her provision could only offer limited hours for children with SEN as they lacked the necessary resources.[500] Kara Jewell from Sparkle Lodge Early Years said that she had seen children being turned away from twelve nurseries, "not because the nurseries do not care" but because of the lack of funding.[501] This was restricting supply of ECEC places for children with SEND. For example, the 2023 Coram Family and Childcare survey found that fewer than one in five local authorities (18%) have enough childcare for disabled children.[502] Coram reiterated in their written evidence that "even with additional funding, settings struggle to make the necessary adjustments".[503] Many parents of children with SEND wrote to us about the additional difficulties they face trying to access care, citing long waiting lists and long distances to travel in to access care.[504] DfE acknowledged in its written evidence to us that "challenges in the ECEC system mean there is significant inconsistency in how children's needs are met".[505]

164. It is unsurprising, given these difficulties, that the use of formal childcare by parents of children with SEND is lower than for families without children with SEND.[506] Without access to supported ECEC, early intervention becomes more challenging. Megan Jarvie from Coram Family and Childcare also commented that when children with SEND do not attend settings, they miss out on "that diversity of other children who they can play with, meet and socialise with".[507] There have been a number of support measures recently introduced, including the 2023 SEND and Alternative Provision improvement plan, investment in the High Needs Provision Capital Allocations for new SEND childcare places, the Covid Recovery Programme, and funding for 5,000 additional SENCOs working in group-based provision and as childminders.[508] These changes were welcomed by witnesses responding to the SEND and Alternative Provision improvement plan at

497 Speech and Language UK (CEY1489)
498 The Local Government Association (CEY1498)
499 Q114 [Emma Gardner]
500 Q114 [Gemma Rolstone]
501 Q115 [Kara Jewell]
502 Coram Family and Childcare, *Childcare Survey 2023* (March 2023), p 6
503 Coram Family and Childcare (CEY1375)
504 Summary of written evidence submitted by parents (CEY1716)
505 Department for Education (CEY1714)
506 HM Government, *Childcare and early years survey of parents* (August 2022)
507 Q56 [Megan Jarvie]
508 HM Government, *SEND and alternative provision improvement plan* (March 2023); Department for Education, *Early years education recovery programme* (June 2023); Department for Education (CEY1714)

a 2023 non-inquiry session.[509] In particular, the focus on cross-departmental working between the Department for Education and the Department of Health that is evident in the SEND and AP Improvement plan is welcome, as this will be vital for effective delivery. However, there were several additional issues that our inquiry identified that require further attention.

Funding for SEND

Education, Health and Care Plans

165. Support for children with SEND is available to settings through a number of avenues. In this inquiry we primarily heard about EHC plans, SEND Inclusion funding, and the Early Years Pupil Premium. EHC plans are for children and young people aged up to 25 with more complex needs and facilitate access to additional funding cross-departmental support (education, healthcare, and social care).[510] EHC plans can also unlock local authority funding from the high needs block of the dedicated schools grant (DSG) that can be used to fund places in early years provisions, or top-up funding for individual children.[511] However, we heard that there are significant delays in the EHC plan application process that is, in some cases, resulting in children in ECEC settings receiving no support in caring for a child until they leave for primary school. K and S Childcare told us about the "unacceptable" wait time of nearly a year they faced.[512] Windmill Hill City Farm were told to expect a 20-week wait for a response to a child's application.[513] Emma Gardner from Spring Nurseries said that the process is "incredibly difficult" and as a result, that EHC plans are "incredibly unusual and rare in the early years".[514] Elmhurst House Day Nursery informed the Committee that even a child with a lifetime medical condition struggled to receive an EHC plan.[515]

166. The Government has acknowledged this problem. Minister Coutinho told us that she recognised the time it takes for a child to get an EHCP "can often be longer than the time that the child is in that setting."[516] The 2023 SEND and Alternative Provision (AP) Improvement Plan ('the 2023 Plan') sets out several measures to reduce delays around EHC plans, including moves towards developing a standardised EHC plans template and developing digital requirements for EHC plans systems.[517] It is good to see that the 2023 Plan also aims to improve early identification and mainstream provision of SEN support so that children have their needs met without needing to rely on EHC plans.[518]

509 Oral evidence taken on 28 March 2023, HC (2022–2023) 1248, Qq2–3 [Dr Crossley]; Q6 [Dr Crossley, Mike Hobday, Tim Nicholls]; Q8 [Mike Hobday]; Q19 [Dr Crossley, Mike Hobday]; Q39 [Dr Stavrou]

510 Department for Education, Department for Health, *Special educational needs and disability code of practice: 0 to 25 years* (January 2015), p 79

511 Education & Skills Funding Agency, *High needs funding: 2022 to 2023 operational guidance* (March 2023)

512 K and S Childcare LTD (CEY0013)

513 Windmill Hill City Farm (CEY0865)

514 Q114 [Emma Gardner]

515 Elmhurst House Day Nursery (CEY0015)

516 Q286 [Claire Coutinho]

517 HM Government, *SEND and alternative provision improvement plan* (March 2023), p 10

518 HM Government, *SEND and alternative provision improvement plan* (March 2023), p 8

SEND Inclusion Funds

167. Local authorities are required to have Special Educational Needs Inclusion Funds (SENIF) to support early years providers in meeting the needs of individual children with SEN in their local area.[519] As a result of delays accessing EHC plans, we heard that providers are increasingly turning towards SENIFs for financial support in managing children with SEND who take up the 3- and 4-year-old entitlement.[520] Government guidance states that local authorities should target SENIFs at children with "lower level or emerging SEN". The fund level is set by the local authorities in consultation with their local early years providers, and the level is based on the number of children in the area with SEN, their level of need, and the overall capacity of the local childcare market.[521]

168. However, we heard that providers and parents also face significant complexity and delays when trying to access SENIF funding. Neil Leitch from the Early Years Alliance commented that "Often the children have moved on by the time they are almost there for the funding. It is that bad".[522] Mary Mulvey-Oates from Contact welcomed the funding that was available but noted that the system is "very complex" and called for "greater simplicity and clarity" for parents and providers.[523] Additionally, Emma Gardner from Spring Nurseries highlighted that the funding is "guarded more and more because it is so limited". As a result, she said, "thresholds to be able to access that money have gone through the roof".[524] She later pointed out that "most local authorities will not release inclusion funding unless you are 24 months behind developmentally where you are expected to be, which is hard when you are two".[525]

169. As it is set by individual local authorities, SEND inclusion funding can vary between different areas. We heard that this meant it was often not enough to cover the additional care that children with SEND require. Oldham Council reflected that while the SEND inclusion fund was "welcomed", it was "not enough for settings to provide the quality of care for these children".[526] A 2022 report on SEND funding by the Early Years Alliance, based on a survey of early years providers, saw 87% saying their funding rate was not enough to provide quality care for children with SEND, and 92% having to fund additional support out of their own pockets.[527] Additionally, Gemma Rolstone from Puffins Childcare outlined that the funding only covered the funded hours that the child takes, meaning that they could not offer families any more than the minimum 15 or 30 hours entitlements.[528]

170. With both systems of funding facing serious delays and complexities amid the rising need for such funding, Early Years providers are finding it increasingly difficult to deliver the quantity and quality of care for children with SEND. When questioned about issues arising from the EHC plan and SENIF funding systems, Minister Coutinho said, "it is well worth looking at how this is functioning to ensure that we are providing the best possible

519 Department for Education, 'Sources of income for early years providers', accessed 7 July 2023
520 Q114 [Emma Gardner]
521 Education & Skills Funding Agency, *Early years entitlements: local authority funding of providers operational guide 2022 to 2023* (November 2021)
522 Q56 [Neil Leitch]
523 Q173 [Mary Mulvey-Oates]
524 Q114 [Emma Gardner]
525 Q116 [Emma Gardner]
526 Oldham Council (CEY1470)
527 Early Years Alliance, *Too Little, Too Late report* (February 2022), p 3
528 Q114 [Gemma Rolstone]

early years education for children with SEND".[529] This is a welcomed approach. A focus on streamlining the application process for SENIFs as well as EHC plans would be helpful, as well ensuring that funding levels are sufficient to allow early years providers to meet the rising level of need. This will be especially important given the focus of the SENIF funding on low level SEN, which is seeing a particular rise after the COVID-19 pandemic.[530]

Early years pupil premium

171. Another avenue of funding available to Early Years settings to improve their support of children with SEND is the Early Years Pupil Premium (EYPP). The EYPP was introduced in 2015, following the introduction of the Pupil Premium for primary and secondary schools in 2011.[531] Both funds aim to support children from families with very low income in their educational settings. The EYPP is available for children on the 15-hour entitlement whose parents are out of work and receive income support, or who are in care.[532] As such, it is an important avenue for providing support to children with SEND. According to 2016 research from the EPI, disadvantaged children were "disproportionately likely" to also have SEND.[533] Additional 2021 research from EPI asserted that children living in the most disadvantaged areas were less likely to be formally recognised as having SEND, compared to peers in more affluent areas.[534] DfE research from June 2023 corroborates this, showing a correlation between children eligible for free school meals and those with special educational needs. Of the pupils with SEN support, 37.5% were eligible for free school meals, the figure rising to 41.1% if the pupil had an EHC plan. This compares to just 20.8% of pupils without SEND being eligible for free school meals.[535] The SEND Code of Practice also outlined an expectation that Pupil Premium will be used to support children with SEN, "in the context of the total resources available".[536]

172. However, despite the importance of early identification, as discussed above, there are significant disparities between the amount of Pupil Premium that a child can receive in Early Years Care and Education compared to primary and secondary schools. This follows on from the disparities between primary school and ECEC discussed in Chapter 4. This also reflects what Gemma Rolstone from Puffins Childcare called the "front-loaded" funding towards primary and secondary schools, despite early identification being "what works best" when improving outcomes for children with SEND.[537] Pupil Premium currently stands at £1,455 a year per individual primary school pupil, and £1,035 per year for secondary pupils, with higher amounts for children who are or were in care.[538] The EYPP is only £342 per year.[539]

529 Q286 [Claire Coutinho]
530 HM Government, 'Academic year 2022/23: Special educational needs in England', accessed 7 July 2023
531 HM Government, 'Get extra funding for your early years provider', accessed 7 July 2023; Department for Education, *Pupil Premium: overview* (April 2023)
532 HM Government, 'Get extra funding for your early years provider', accessed 7 July 2023
533 Education Policy Institute, *Divergent pathways: the disadvantage gap, accountability and the pupil premium* (July 2016), p 41
534 Education Policy Institute, *Identifying pupils with special educational needs and disabilities* (March 2021), p 8
535 Department for Education, *Special educational needs and disability: an analysis and summary of data sources* June 2023, p 12
536 Department for Education, Department for Health, *SEND code of practice: 0 to 25 years* (January 2015), p 110
537 Q114 [Gemma Rolstone]; "*New research shows early intervention is key in helping children with special needs*", Department for Education press release, 27 December 2012; The Foundation Stage Forum Ltd (CEY0958); Department for Education, Department for Health, *SEND code of practice: 0 to 25 years* (January 2015), pp 79; Department for Education (CEY1714)
538 Department for Education, *Pupil Premium: overview* (April 2023)
539 HM Government, 'Get extra funding for your early years provider', accessed 7 July 2023

173. We also heard of other accessibility difficulties with the Early Years Pupil Premium (EYPP), where families who could greatly benefit from EYPP funding are not eligible. Identifying children who qualify for EYPP is the responsibility of the provider, however, the Holy Family Playgroup nursery told us that this could often be "impossible" and leads to a situation where "many in very low-income families" do not receive EYPP at all.[540] Additionally, Kara Jewell from Sparkle Lodge Early Years informed the Committee that some children who would benefit from EYPP funding can be taken off the radar if their parents work even for "just a couple of hours".[541] Gemma Rolstone from Puffins Childcare also commented on the delays, stating that often the payment is only made once the child has already gone to school.[542] Another issue was the limited scope of the EYPP. The British Association for Early Childhood Education points to how the current criteria for EYPP are narrower than the equivalent for schools and covers a smaller proportion of children.[543] EYPP is available for children whose families are in receipt of 15-hour entitlement, income support or in care, whereas Primary Pupil Premium covers those who have been eligible for free school meals in the last 6 years, those with no recourse to public funds, and children who have previously been or are currently in care.[544] As a result, 10% of 3- and 4-year-olds receive EYPP, compared to 25% of primary age children.[545]

174. The sector has overwhelmingly called for the EYPP to be increased and brought in line with the pupil premium amount for primary schools.[546] For example, Dr Tammy Campbell, Early Years Lead at the Education Policy Institute, called for a "more heavily weighted early years pupil premium" as this would incentivise providers to take children who need more resources, noting that "we cannot just leave it to the market".[547] Susie Owen from the Department for Education said that the Department "will obviously need to consider the early years pupil premium in the context of the roll-out".[548] There is also a case for considering widening the criteria for EYPP eligibility in conjunction with funding increases to ensure that more pupils who need additional resources are supported.[549]

Training

175. It is usually the Level 3 qualified Special Educational Needs Coordinator (SENCO) that manages the support of children with SEND in early years settings. DfE research on the early years workforce found that in 2021 almost all settings had an internal SENCO, and some settings had access to an external SENCO.[550] In recognition of the "critical role" that early years practitioners play in identifying and supporting SEND, the 2023 SEND

540 Education & Skills Funding Agency, *Early years entitlements: local authority funding of providers operational guide 2022 to 2023* (November 2021); Holy Family Playgroup with Out of School Clubs (CEY1304)

541 Q117 [Kara Jewell]

542 Q117 [Gemma Rolstone]

543 The British Association for Early Childhood Education (CEY1417)

544 Department for Education, *Pupil Premium: overview* (April 2023); HM Government, 'Get extra funding for your early years provider', accessed 7 July 2023

545 Kindred Squared, ArkStart, Leyf Nurseries, The British Association for Early Childhood Education, *Solutions for an Improved Early Years System: A discussion document* (November 2022), p 9

546 Early Years Alliance (CEY1139); Women's Budget Group (CEY1348); Ark Start, a venture of Ark (CEY1350); Coram Family and Childcare (CEY1375); Sutton Trust (CEY1502); National Day Nurseries Association (CEY1568); Early Childhood Forum (CEY1707); Nuffield Foundation (CEY1709)

547 Q237 [Dr Campbell]

548 Q290 [Susie Owen]

549 The British Association for Early Childhood Education (CEY1417); Oldham City Council (CEY1470)

550 Department for Education, *The early years workforce: recruitment, retention, and business planning* (April 2022), p 66

and AP improvement plan outlines a plan to fund up to 5,000 early years staff to gain an accredited Level 3 early years SENCO qualification.[551] Minister Coutinho also outlined that a stand-alone SEND section would be added to the Early Years Educator Level 3 qualification, as outlined by a 2022 consultation on the topic.[552]

176. However, we heard that SEND training needs to be available, and ideally mandatory, for all of the early years workforce. Family Action, a charity that supports families, pointed out that it can be difficult for early years staff to recognise whether a child is facing a developmental delay from COVID-19 or as a result of SEND as they have not received the proper training, and there is very little budget for them to do so. They note that while training for Level 3 and SENCOs in the SEND and AP Improvement plan was welcome, "there are a larger number of stakeholders in the early years who all play a part in diagnosis and support that are not specifically mentioned".[553] Including the wider staff in SEND training can be particularly useful for speech and language, as these issues can often be addressed by a non-specialist workforce that has support in developing related teaching practices. Jane Harris from Speech and Language UK made a convincing argument that good teaching practices, either through group or targeted interventions, could help staff better identify which children can benefit from generalist support, and which have "a more inherent challenge" and need a diagnosis. The issue she identified was that "not enough settings integrate speech and language development into their model, and not enough think, 'We can do something in this setting'".[554]

177. The significant delays that children with speech and language needs face in accessing an assessment means that even if a setting did not feel that they could help, getting external help is near impossible. Gemma Rolstone from Puffins Childcare told us that waiting times for a speech and language assessment in her local authority for a speech and language were currently around 94 weeks. She also noted that practitioners cannot put a child in for assessment until they are two, meaning that they often have no access to support until they reach primary school.[555] Reducing the number of children undergoing assessments by supporting more within the setting could reduce the delays in the assessment procedure for children who have more complex needs.

178. Multiple witnesses therefore recommended that training on SEND should be part of the mandatory training requirements, and properly funded to improve accessibility.[556] Mandatory training would be particularly important for conditions such as autism, Jolanta Lasota from Ambitious about Autism told us that training "makes a difference", but uptake is very much determined by the funding available.[557] Widespread training in SEND for all early years staff could significantly improve the low level SEN support for children in their early years, as well as reducing the assessment waiting times for those who need enhanced support.

179. **It is widely recognised that effective early intervention and support is vital for improving outcomes for children with Special Educational Needs and Disabilities**

551 HM Government, *SEND and alternative provision improvement plan* (March 2023), p 52
552 Q278 [Claire Coutinho]; Department for Education, 'Changes to the early years educator level 3 criteria', accessed 7 July 2023
553 Family Action (CEY1472)
554 Q164 [Jane Harris]
555 Q114 [Gemma Rolstone]
556 Qq161, Q175 [Jolanta Lasota]
557 Q180 [Jolanta Lasota]

(SEND). We are glad to see the Government's renewed focus on early years training for SEND through SENCOs and its proposals to include SEND in the Early Years Educator Level 3 qualification. The Government's focus on cross-departmental working in the 2023 Special Educational Needs and Disabilities and Alternative Provision Improvement plan is also welcome, as this will be vital for effective implementation.

180. **Equipping all ECEC practitioners with the skills to identify and support Special Educational Needs (SEN) would help settings better identify and support children with lower level SEND in-house and reduce the number of applications for diagnosis or additional support through an Education Health and Care (EHC) plan, or a speech and language assessment. This in turn would reduce waiting times for those children who do require an such additional support.**

181. ***It is clearly inadequate for only staff with Level 3 qualifications in Early Childhood Education and Care (ECEC) to be trained in identifying and supporting Special Educational Needs and Disabilities. There are many other staff involved in a child's care that could benefit from such training. Therefore, training for ECEC practitioners in identifying and managing SEND, including Speech and Language, Learning Disabilities and Autism, should be part of the mandatory training requirements set out in the Early Years Foundation Stage (EYFS) Statutory Framework. We call on the Government to amend the Framework as soon as practical.***

182. ***We recommend the Government work with local authorities to address the huge delays in Early Years SEN Inclusion Fund (SENIF) funding by reviewing the application process for providers. Similar approaches to the Education Health and Care Plan reforms should be considered, such as standardising and digitise elements of the process. We further recommend the Government ensure that SENIFs issue funding that is truly reflective of the cost of delivering specialised care for children with SEN.***

183. ***We recommend the Government increase the Early Years Pupil Premium (EYPP) to match that in primary schools and widen the eligibility criteria so that more children from very low income families can access much needed extra support for any special educational needs.***

Conclusions and recommendations

Introduction

1. The Spring Budget announcements are a welcome sign that the Government has realised that urgent care and attention is needed in the childcare and early years education market. We particularly welcome the additional funding for Universal Credit entitlements and the additional investment in extending the subsidised hours, but feel that HM Treasury missed an opportunity to reform tax-free childcare and increase the flexibility of the system. (Paragraph 18)

2. *The childcare and early years education system is already spread across multiple departments and local authorities. Government must commit to effective cross-government working, both centrally and locally. This will be vital to ensure that these reforms are delivered effectively and equitably, and that the opportunities for parents and children are realised.* (Paragraph 19)

A fair market for providers

3. The childcare market is struggling, with unprecedented numbers of Early Childhood Education and Care (ECEC) professionals leaving the sector and parents struggling to find appropriate care across the country. The Spring Budget expansions of the funded entitlements place further demand on a struggling sector. To successfully deliver the Budget proposals, the sector needs radically more financial and regulatory reform, including, most importantly, a sufficient funding rate for the funded entitlements. (Paragraph 37)

4. *The Department for Education should work closely and consistently with childcare providers and local authorities from across the country to set the funding rate at a sufficient level. Given that most childcare places will soon be government-funded, it is vital that the Department gets this right, or the already struggling childcare market will see even more closures.* (Paragraph 38)

5. *We recommend the Government consider the case for greater ring-fencing of the Early Years block of each local authority's Dedicated Schools Grant to ensure that more is passed on to the early years providers who are delivering the funded hours entitlements.* (Paragraph 39)

6. *We recommend Government work closely with local authorities to identify areas where childcare provision is insufficient and with a view to increasing provision in these areas. It could be useful to begin with a focus on Education Investment Areas (EIAs).* (Paragraph 40)

7. *We recommend the Government consider explicitly including childcare and early education as a category in the list of infrastructure set out in the Levelling Up and Regeneration Bill 2022–23. This would enable funding received through the levy to be allocated to childcare and early education and support local authorities to meet their statutory duty on providing sufficient childcare places.* (Paragraph 41)

8. *The Government will soon be funding up to 80% of all childcare places in England, up from 50% before the Spring Budget. In recognition of this, and the public benefit that the whole early years sector is providing, the HM Treasury should grant all early years providers an exemption from business rates. Private, Voluntary and Independent (PVI) settings should also be zero-rated for VAT. We heard that VAT costs and business rates facing ECEC settings are taken into account in the DfE's process of setting funding rates. Following these proposed changes, DfE should not account for any cost savings gained from VAT and business rate exemptions in their calculation of the funding allocations for local authorities. This would allow savings to be channelled back into the settings in recognition for the need for a more qualified (and therefore expensive) workforce. The benefits to retention and development of staff, affordability for parents and expansion of places for children will substantially outweigh the costs of these changes.* (Paragraph 48)

9. *We recommend the Government work to remove or reduce the barriers preventing childminders setting up or continuing in businesses and consider developing more incentives to grow this market. It could do this, for example, by*

   a) Allowing childminders to work together in settings outside their own home, following the French model of maisons d'assistants maternels (MAMs).

   b) Working with the Department of Levelling up, Housing and Communities (DLUHC) to remove barriers to childminders setting up businesses in rented properties. If this cannot be done through a voluntary process in which Registered Social Landlords and local authorities create a specific exemption for childminding businesses, then the DLUHC should consider legislation.

   c) Permitting parents to claim funded hours for their child if they are cared for by a registered childminder who is also a member of their extended family. An exemption for a childminder's own children is understandable but it is unclear why grandchildren, nieces and nephews need to face the same barriers.

   d) Allowing Childminder Agencies to register part-time childminders and considering the balance of costs between Childminder Agency and Ofsted registration costs and fees. (Paragraph 55)

Support for parents and families

10. Parental choice should be at the heart of any Early Years Care and Education policy to allow parents to choose what works best for their family. We welcome the Government's acknowledgement that parents who need or want to work require more support for childcare costs when their children are younger than 3 years old. The Government must improve awareness of the support available and reduce the complexity of the ECEC system for the Spring Budget changes to be effective in supporting parents who need or want to get back to work. (Paragraph 93)

11. *We recommend that the funded hours entitlement system be made more streamlined. For example, parents should be able to access childcare as soon as they receive an*

eligibility code. The requirement for parents to reconfirm their eligibility every three months for both the 30-hours entitlement and the Tax-Free Childcare scheme is unduly onerous and should be reduced to once per year. (Paragraph 94)

12. *To improve awareness and improve parental trust in the childcare subsidy system, we recommend the Government stop describing the 30-hours offer as 'free hours' and talk about 'funded' or 'subsidised' hours instead.* (Paragraph 95)

13. *We recommend the Government develop better support for parents who choose to stay at home with their children. For example, HMRC could explore ways to frontload child benefits to give parents more support in the early years when the economic and social impact of childcare is highest. The Department for Business and Trade could also consider expanding parental leave allowances.* (Paragraph 96)

14. Despite some witnesses recommending the withdrawal of tax-free childcare and the use of the funding elsewhere, we recognise the benefits of the more flexible support it can provide, especially for wrap around care for school age children. Therefore, we do not believe that withdrawal would be in the interests of a majority of parents. (Paragraph 97)

15. Parents who choose to care for their children at home do important work. With better support, parents would have more of a choice over whether they work or stay at home and have better flexibility to respond to their family's needs. More support would also help parents in developing a better home learning environment. The home learning environment is vitally important component of a child's development. While support for families is not directly in the remit of the Department for Education, it will be important for the Government to complement their expansions in childcare with a more family-centred approach, and in particular, better support for parents who choose to stay at home. (Paragraph 98)

16. *The Government must do much more to ensure the support available for tax-free childcare is better understood and easier to access. We recommend HM Treasury conduct a fundamental review of tax-free Childcare with a view to making it simpler and easier to use and ensure it is delivering effectively for eligible families. In doing so it should carefully analyse why so many parents who have gone to the trouble of setting up an account do not the use it and seek to monitor ongoing take up and usage of the scheme. Following this review and any changes to the system, the Government should launch a large scale public campaign to improve awareness.* (Paragraph 99)

17. *We recommend the Government expand the Family Hub model and commit to longer-term funding. We would like to see a national rollout of family hubs at the earliest possible opportunity. In particular, the £50m fund for 'Parenting Support' and the £28.7m 'Home Learning Environment' fund should be increased, along with the Best Start for Life funding to support infant feeding and parent infant relationships. Family Hubs should spread awareness of the childcare subsidy offers and increase take up. They should also provide specific, targeted support to families with children with Special Educational Needs and Disabilities.* (Paragraph 100)

18. *We recommend the Government make parents in training or education eligible to claim the 30-hours entitlement. This will support single parents who need to retrain to secure more flexible work, and also support parents who are trying to re-enter the*

workforce after a period of absence. The Department for Work and Pensions should also consider what further ways to support single parents, for example by raising the single income child benefit threshold from £50,000, where it has been frozen since 2013. (Paragraph 101)

Quality care for children

19. Where children are in Early Childhood Care and Education, it should be a high-quality, safe and supportive environment. ECEC should primarily be for the benefit of children. Prioritising the 'quantity' of available childcare to get parents back to work over the 'quality' of that childcare risks damaging children's development and widening the disadvantage gap. Increasing the availability, quality and affordability of childcare will be the only way to ensure parental buy in and take up. (Paragraph 121)

20. We note that there is less data about the benefits of formal ECEC on children under two years old as studies have focused on children who were receiving the funded entitlement. It will be important to ensure that there is a robust evidence base for this age group is developed as the entitlement expansions take place. (Paragraph 122)

21. *We recommend that the Government's controversial changes to staff:child ratios be closely monitored and reversed if quality and education outcomes are seen to suffer. If the Government's goal is truly to "bring the UK in line with Scotland and comparable countries", this change should be accompanied by a strong focus on developing staff qualifications to the comparable level in these countries. This should be supported by a larger piece of Government research to better determine the optimal mix of qualification in early years settings.* (Paragraph 123)

22. *In the short term, to prevent the existing qualification levels of falling any further, the Level 2 English and maths requirements for ECEC staff to count in staff:child ratios should be reviewed , and alternatives considered that are more tailored to the early years sector. When considering the results of the consultation on this matter, the Government should ensure that any changes to this requirement ensure that quality of numeracy teaching is a priority.* (Paragraph 124)

23. *The Government has acknowledged the importance of graduate leadership in the ECEC sector. It should now listen to sector-wide calls for an equivalent of the Graduate Leader's Fund to be reintroduced. We recommend that this is given a broader name, such as the 'Leadership Quality Fund', and that it can accommodate a wide variety of professional ECEC qualifications.* (Paragraph 125)

Careers for the Early Years Workforce

24. *Early years professionals are vitally important. We recommend career development for early years practitioners be made an urgent priority in order to attract and retain more people in the profession. We are concerned about lack of parity of esteem between early years settings and primary schools.* (Paragraph 152)

25. *We recommend the Government engage with Local Authorities and seek to address the cost of mandatory training required by early years professionals, such as paediatric first aid and safeguarding courses. Local Authorities should work towards providing*

free or heavily reduced mandatory training for early years practitioners and also allow more flexibility with timing to limit the impact on provider business, for example by offering evening courses. (Paragraph 153)

26. *We recommend the Government ensure that the early years Sector is seen to be, and feels itself to be, a valued profession. To achieve this, we recommend the Government develop a comprehensive Early Years Strategy with a strong focus on workforce development. As part of this strategy, the Early Career Framework should be expanded to the early years sector. National Professional Qualifications (NPQs) should also be promoted more widely to increase uptake, including with Private, Voluntary and Independent (PVI) settings. We also recommend that the Government works to develop their outreach and communication channels with the early years sector to ensure that their voices are heard in the years to come.* (Paragraph 154)

27. *Staff development and promotions in Early Years settings should be met with higher pay. We recommend the Government consider how best to incentivise and fund settings to do this, for example by setting standards for staff pay as a condition for receiving funding for the 30-hours entitlement.* (Paragraph 155)

Special Educational Needs and Disabilities

28. It is widely recognised that effective early intervention and support is vital for improving outcomes for children with Special Educational Needs and Disabilities (SEND). We are glad to see the Government's renewed focus on early years training for SEND through SENCOs and its proposals to include SEND in the Early Years Educator Level 3 qualification. The Government's focus on cross-departmental working in the 2023 Special Educational Needs and Disabilities and Alternative Provision Improvement plan is also welcome, as this will be vital for effective implementation. (Paragraph 179)

29. Equipping all ECEC practitioners with the skills to identify and support Special Educational Needs (SEN) would help settings better identify and support children with lower level SEND in-house and reduce the number of applications for diagnosis or additional support through an Education Health and Care (EHC) plan, or a speech and language assessment. This in turn would reduce waiting times for those children who do require an such additional support. (Paragraph 180)

30. *It is clearly inadequate for only staff with Level 3 qualifications in Early Childhood Education and Care (ECEC) to be trained in identifying and supporting Special Educational Needs and Disabilities. There are many other staff involved in a child's care that could benefit from such training. Therefore, training for ECEC practitioners in identifying and managing SEND, including Speech and Language, Learning Disabilities and Autism, should be part of the mandatory training requirements set out in the Early Years Foundation Stage (EYFS) Statutory Framework. We call on the Government to amend the Framework as soon as practical.* (Paragraph 181)

31. *We recommend the Government work with local authorities to address the huge delays in Early Years SEN Inclusion Fund (SENIF) funding by reviewing the application process for providers. Similar approaches to the Education Health and Care Plan reforms should be considered, such as standardising and digitise elements of the*

process. We further recommend the Government ensure that SENIFs issue funding that is truly reflective of the cost of delivering specialised care for children with SEN. (Paragraph 182)

32. *We recommend the Government increase the Early Years Pupil Premium (EYPP) to match that in primary schools and widen the eligibility criteria so that more children from very low income families can access much needed extra support for any special educational needs.* (Paragraph 183)

Formal minutes

Tuesday 18 July 2023

Members present:

Robin Walker, in the Chair

Miriam Cates

Flick Drummond

Nick Fletcher

Kim Johnson

Andrew Lewer

Ian Mearns

Mohammad Yasin

Draft Report (*Support for childcare and the early years*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Summary agreed to.

Paragraphs 1 to 183 agreed to.

Appendix agreed to.

Resolved, That the Report be the Fifth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available (Standing Order No. 134.)

Adjourned till Tuesday 5 September 2023 at 9.30 am

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the inquiry publications page of the Committee's website.

Tuesday 31 January 2023

Laura Barbour, Early Years Lead, The Sutton Trust; **Megan Jarvie**, Head, Coram Family and Childcare; **Neil Leitch OBE**, CEO, Early Years Alliance; **Helen Donohoe**, Chief Executive, PACEY (Professional Association for Childcare and Early Years) Q1–67

Tuesday 21 February 2023

Emma Gardner, Quality Manager, Early Years and Childcare, Spring by Action for Children; **Gemma Rolstone**, Director of Quality, Puffins Childcare, Devon; **Kara Jewell**, Childminder and Nursery Director, Sparkle Lodge Early Years, Portsmouth; **Professor Celia Greenway**, Deputy Pro-vice Chancellor and Professor in Education (Early Years and Child Development Lead), University of Birmingham; **Dr Julian Grenier CBE**, Head Teacher, Sheringham Nursery School and Children's Centre, East London Q0–0

Tuesday 21 March 2023

Victoria Benson, CEO, Gingerbread; **Joeli Brearley**, CEO and Founder, Pregnant Then Screwed; **Mrs Anne Fennell**, Chair, Mothers at Home Matter Q118–190

Mary Mulvey-Oates, Early Years Project Manager, Contact; **Jolanta Lasota**, Chief Executive, Ambitious about Autism; **Jane Harris**, Chief Executive, Speech and Language UK Q118–190

Tuesday 18 April 2023

Christine Farquharson, Associate Director, Institute for Fiscal Studies; **Professor Eva Lloyd**, Director, International Centre for the Study of the Mixed Economy of Childcare, University of East London; **Professor Birgitta Rabe**, Professor of Economics, Institute for Social and Economic Success Q191–247

Iain Mansfield, Director of Research and Head of Education and Science, Policy Exchange; **Adam Hawksbee**, Deputy Director, Onward; **Dr Tammy Campbell**, Early Years Lead, Education Policy Institute Q191–247

Tuesday 09 May 2023

Claire Coutinho MP, Parliamentary Under-Secretary of State (Minister for Children, Families and Wellbeing), Department for Education; **Susie Owen**, Director of Early Years, Childcare, Families and Analysis, Department for Education Q248–305

Published written evidence

The following written evidence was received and can be viewed on the inquiry publications page of the Committee's website.

CEY numbers are generated by the evidence processing system and so may not be complete.

1 ASLEF (CEY1330)

2 Alliance Party of Northern Ireland (CEY1704)

3 Amberley Nursery & Forest School (CEY0020)

4 Ambitious about Autism (CEY1204)

5 Anonymised (CEY0031)

6 Archer, Dr Nathan (Director, Leeds Beckett University) (CEY0642)

7 Ark Start, a venture of Ark (CEY1350)

8 Babraham Nursery (CEY1536)

9 Be Buckfastleigh CiC (CEY0976)

10 Beardmore, Mr Keith (Managing Director, Manor Nursery School Ltd) (CEY0021)

11 Bennett, Alice J (Chair, Worcestershire Independent Providers) (CEY1725)

12 Best friends day nursery Chester Ltd (CEY0328)

13 Bexhill Family Collective CIC (CEY1526)

14 Blyth, Mrs (Nursery Owner, The Day Nursery Peterborough Ltd) (CEY0885)

15 Bright Horizons UK (CEY1593)

16 Brine, Mr Steve (Chair of the APPG for Childcare and Early Education, and MP for Winchester and Chandler's Ford , APPG for Childcare and Early Education); and Brownlee, Miss Sophie (Secretariat , Connect PA) (CEY1346)

17 Bristol City Council (CEY1456)

18 Bristol Early Years Recruitment forum; and Filton Avenue Nursery School & Children's Centre (CEY0025)

19 British Association for Early Childhood Education (Early Education) (CEY1417)

20 British Educational Suppliers Association (CEY1576)

21 British Psychological Society (CEY1708)

22 Broome and Ditchingham Preschool (CEY0447)

23 Business in the Community (CEY1525)

24 CBI (CEY1545)

25 Chantreyland Children's Nurseries; and Brierley Field Children's Nursery Ltd (CEY1341)

26 CIPD (CEY1310)

27 Clever Clogs Day Nursery Ltd (CEY0018)

28 Campbell-Barr, Dr Verity (Director of Plymouth Institute of Education and Associate Professor in Early Childhood, University of Plymouth) (CEY1554)

29 Carousel Day Nursery & Pre-school Ltd (CEY0769)

30 Centre for Progressive Policy (CEY1469)

31 Child Poverty Action Group (CEY1426)

32 Child's Play Pre-school (CEY1009)

33 Children's Commissioner's Office (CEY1446)

34 Children's House Childcare Ltd (CEY0026)

35 Clausen, Sigrid Brogaard (Senior Lecturer, University of Roehampton); and Cottle, Michelle (Senior Lecturer, University of Roehampton) (CEY1431)

36 Community Union (CEY1338)

37 Contact, the charity for disabled children (CEY1541)

38 Conti, Professor Gabriella (Professor of Economics, University College London) (CEY1696)

39 Coombs, Mrs Louise (Nursery Manager/SENDCo, Chipmunks Nursery (Gloucester/Stroud)) (CEY0007)

40 Coram Family and Childcare (CEY1375)

41 Crigglestone Daycare (CEY0836)

42 Cronkshaw fold farm ltd (CEY0962)

43 Cuddles Day Nursery Ltd; Cuddles @ Canford Heath; Cuddles @ Parkstone; and Cuddles @ Poole Stadium (CEY1427)

44 Dawson, Miss F (CEY1681)

45 Department for Education (CEY1721)

46 Department for Education (CEY1723)

47 Department for Education (CEY1714)

48 Devon County Council (CEY1558)

49 Dey, Mrs Rachel (Manager, Pebbles Day Nursery) (CEY0022)

50 Dingley's Promise (CEY1560)

51 Early Childhood Education Research Cluster, School of Education, The University of Sheffield (CEY1550)

52 Early Childhood Forum (CEY1707)

53 Early Childhood Studies Degree Network (CEY1459)

54 Early Years Alliance (CEY1139)

55 Early Years Equality (CEY1715)

56 Education Policy Institute (CEY1557)

57 Elmhurst House Day Nursery (CEY0015)

58 FUNdays Club Ltd. (CEY0635)

59 Fallowfield-Cooper, Mrs Jackie (owner/Director/Manager, K2 Pre-School Academy) (CEY0959)

60 Family Action (CEY1472)

61 Federation of Small Businesses (CEY1340)

62 Forest Footsteps Childcare (CEY0407)

63 FullSpektrum (CEY1440)

64 Gatto, Dr Mark (Lecturer, Northumbria University); and Northumbria University Parents and Carers Network (CEY1455)

65 Georgie's childcare (CEY0338)

66 Gingerbread (CEY1485)

67 GrandNanny (CEY1643)

68 Gray, Andrea (Governor, Retired EY teacher, Governor at a nursery school with family well being centre) (CEY1638)

69 Greater London Authority (CEY1713)

70 Greater Manchester Combined Authority (CEY1612)

71 Greater Manchester Immigration Aid Unit (GMIAU) (CEY1463)

72 Griffiths, Mrs Laurie (CEY1050)

73 Guide dogs (CEY1482)

74 Hill, Ms Ilana (Childminder, Childminder) (CEY0014)

75 Holman, Mrs Tracy (Outstanding childminder, Childminder) (CEY0646)

76 Holy Family Playgroup with Out of School Clubs (CEY1304)

77 Hometime Childcare Limited (CEY1267)

78 IPPR (CEY1540)

79 IPSEA (Independent Provider of Special Education Advice) (CEY1563)

80 Institute for Fiscal Studies (CEY1561)

81 Institute for Social and Economic Research, University of Essex (CEY1361)

82 Javornik, Dr Jana (Associate Professor, University of Leeds, Leeds University Business School) (CEY1476)

83 K and S Childcare LTD (CEY0013)

84 KIDS (CEY1474)

85 Kindred Squared (CEY1428)

86 Koru Kids (CEY1087)

87 Little Oaks Pre-School (CEY0002)

88 Lead practitioner (CEY1412)

89 Leci, Rita (Nursery Assistant, Little People of Fulham) (CEY0827)

90 Leeds City Council (CEY1074)

91 Leeds University Business School, The University of Leeds; and The University of Bristol (CEY1582)

92 Little Faces Childcare Ltd (CEY0012)

93 Little Jungle - School of Early Childhhod (CEY0008)

94 Little Village (CEY1535)

95 Lloyd, Professor Eva OBE (Professor of Early Childhood, University of East London); and Penn, Professor Helen (Professor Emerita, University of East London) (CEY1305)

96 London Councils (CEY1301)

97 London Early Years Foundation (CEY1265)

98 Low Incomes Tax Reform Group of the Chartered Institute of Taxation (CEY1559)

99 Manchester City Council (CEY1423)
100 Mothers at Home Matter (CEY1603)
101 Mumsnet (CEY1527)
102 National Centre for Social Research (CEY1555)
103 National Day Nurseries Association (CEY1568)
104 National Deaf Children's Society (CEY1722)
105 National Deaf Children's Society (CEY1342)
106 National Education Union (CEY1306)
107 Nesta (CEY1483)
108 Nottingham City Council (CEY1711)
109 Nottingham Women's Centre (CEY1548)
110 Nuffield Foundation (CEY1709)
111 Ofsted (CEY1720)
112 Ofsted (CEY1448)
113 Oldham Council (CEY1470)
114 Organise (CEY1143)
115 Oxfordshire County Council (CEY1517)
116 PACEY (Professional Association for Childcare and Early Years) (CEY1273)
117 POMFRET WOODLAND COMMUNITY NURSERY (CEY0016)
118 Pearson, Dr Megan (Lecturer in Law, University of Southampton) (CEY0970)
119 Policy Exchange (CEY1531)
120 Post Pandemic Childcare coalition (CEY1667)
121 Praxis (CEY1537)
122 Pregnant Then Screwed (CEY1213)
123 Puddle Ducks (CEY0367)
124 Puffins of Exeter Ltd (CEY0027)
125 RAF Families Federation (CEY1514)
126 Ridgeway Methodist Children's Care Centre (CEY1111)
127 Royal College of Speech and Language Therapists (CEY1499)
128 Sandbrook Community Playgroup (CEY0918)
129 Save the Children UK (CEY1343)
130 Shelton, Anthony (CEY1283)
131 Single Mums Business Network (SMBN CIC) (CEY1462)
132 Single Parent Rights (CEY0949)
133 Small Steps Big Changes (CEY1529)
134 Social Market Foundation (CEY1710)
135 Speech and Language UK (CEY1489)
136 Station House Community Association Limited (CEY0010)

137 Stratford-Parker, Mrs Jacquesline (Manager owner , Puddle Ducks) (CEY0005)

138 Summary, Childminder Roundtable (CEY1724)

139 Summary of written evidence submitted by parents (CEY1716)

140 Sutton Trust (CEY1502)

141 TACTYC (CEY1700)

142 Tapton School Academy Trust (CEY1475)

143 Tarrant, Professor Anna (Professor of Sociology, University of Lincoln); Ladlow, Dr Linzi (Research Fellow, University of Lincoln); and Way, Dr Laura (Research Fellow, University of Lincoln) (CEY1291)

144 The Challenging Behaviour Foundation (CEY1543)

145 The Fawcett Society (CEY1528)

146 The Foundation Stage Forum Ltd (CEY0958)

147 The Local Government Association (CEY1498)

148 The National Lottery Community Fund (CEY1549)

149 The Other Half (CEY1564)

150 The Unity Project (TUP) (CEY0573)

151 Think for the Future Tots (CEY0168)

152 Tick Tocks Nursery and Afterschool Club (CEY1317)

153 Tiney Limited (CEY1626)

154 Toddler Town Nursery Ltd (CEY0029)

155 Tops Day Nurseries (CEY1357)

156 Triple P (CEY1512)

157 Twins Trust (CEY1488)

158 Twyford Playgroup, Hampshire (CEY1712)

159 UCL Centre for Education Policy & Equalising Opportunities (CEY1650)

160 UK Committee for UNICEF (CEY1533)

161 UNISON (CEY1480)

162 Unite the Union (CEY1433)

163 Usdaw (CEY1437)

164 WEA (CEY1444)

165 Windmill Hill City Farm (CEY0865)

166 Winters, Mrs Michelle (Childminder, Little Olive Tree Montessori Childminder) (CEY1055)

167 Women’s Budget Group (CEY1348)

168 Working Families (CEY1688)

169 Working Family CIC (CEY1695)

170 Wren, Ms Liz (CEY0556)

171 Wright, Mr David (Nursery Group Ambassador, Paint Pots Pre-School and Nursery Ltd) (CEY0953)

172 YMCA England & Wales (CEY1570)

173 Young Women's Trust (CEY1507)

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the publications page of the Committee’s website.

Session 2022–23

Number	Title	Reference
1st Report	Not just another brick in the wall: why prisoners need an education to climb the ladder of opportunity	HC 56
2nd Report	Educational poverty: how children in residential care have been let down and what to do about it	HC 57
3rd Report	The future of post-16 qualifications	HC 55
4th Report	Careers Education, Information, Advice and Guidance	HC 54
1st Special	Is the Catch-up Programme fit for purpose?: Government response to the Committee’s Fourth Report of Session 2021–22	HC 273
2nd Special	Not just another brick in the wall: why prisoners need an education to climb the ladder of opportunity: Government response to the Committee’s First Report	HC 645
3rd Special	Educational poverty: how children in residential care have been let down and what to do about it: Government response to the Committee’s Second Report	HC 854
4th Special	The future of post-16 qualifications: Government response to the Committee’s Third Report of Session 2022–23	HC 1673

Session 2021–22

Number	Title	Reference
1st Report	The forgotten: how White working-class pupils have been let down, and how to change it	HC 85
2nd Report	Appointment of the Chief Regulator of Ofqual	HC 512
3rd Report	Strengthening Home Education	HC 84
4th Report	Is the Catch-up Programme fit for purpose?	HC 940
1st Special Report	Strengthening Home Education: Government Response to the Committee’s Third Report	HC 823

Session 2019–21

Number	Title	Reference
1st Report	Getting the grades they've earned: Covid-19: the cancellation of exams and 'calculated' grades	HC 617
2nd Report	Appointment of the Children's Commissioner for England	HC 1030
3rd Report	A plan for an adult skills and lifelong learning revolution	HC 278
4th Report	Appointment of the Chair of the Office for Students	HC 1143
1st Special Report	Special Educational Needs and Disabilities: Government Response to the Committee's First Report of Session 2019	HC 668
2nd Special Report	Getting the grades they've earned: COVID-19: the cancellation of exams and 'calculated' grades: Response to the Committee's First Report	HC 812
3rd Special Report	A plan for an adult skills and lifelong learning revolution: Government Response to the Committee's Third Report	HC 1310