



# Daycare Trust Evidence to the Frank Field MP Independent Review on Poverty and Life Chances

September 2010

Daycare Trust is the national childcare charity, campaigning for high quality, accessible, affordable childcare for all and raising the voices of children, parents and carers. We undertake research, campaign on childcare issues, work with providers in different types of early years' settings, as well as providing information for parents and carers. Daycare Trust is a member of the End Child Poverty Coalition. Our surveys of parents and providers give a comprehensive and up-to-date picture of issues facing these groups and we have incorporated this research into our evidence to the Independent Review on Poverty and Life Chances.

Daycare Trust believes that investment in early childhood education and care is crucial to ending child poverty. High quality early childhood education and care is an investment both in the future of our children, and also in parents who need affordable childcare in order to return to or remain in work. High quality early childhood education boosts the life chances of the most vulnerable children in society. As such, investment in early childhood education is an effective form of early intervention that can save later and more costly inputs through the special educational needs and healthcare systems.

## **Early years and life chances**

***Which aspects of children's early years are the most important determinants of positive outcomes and good life chances? What single aspect of early childhood has the greatest influence?***

The term 'positive outcome' is widely used and clear definitions of this term are necessary when examining the causes of poor outcomes or planning interventions to improve children's outcomes. We recommend that in addition to a standardised definition of poverty, Government adopts a standardised measure of a positive outcome.

There has been a great deal of research on the determinants of positive educational outcomes in children (and their later labour market outcomes) over the last 60 years. Almost all research suggests that there are *multiple* factors relating to educational achievement, and that these causes and their significance differ between and within different communities in the UK. The understanding that good outcomes in children are caused by *multiple* and often inter-related

individual, familial, community and national socio-economic factors influenced the development of the Head Start Program in the United States and the planning of Sure Start in the UK.

From a policy perspective it is probably unwise to focus on a key single determinant of positive outcomes for children. However, most recent research suggests that household income and parental education are probably the most important determinants of children's outcomes and life chances. Other conditions are significant, including access to stable and decent housing, family friendly work patterns, parental good health, the home learning environment, parents' orientation towards education, quality of schooling, peer group attitudes to education and access to high quality early childhood education and care.

While household income and parental education are the most significant factors determining children's outcomes, access to good quality early childhood education and care can mediate, or protect children from some of the negative consequences of deprivation. Research on the impact of high quality early childhood education and care on disadvantaged children shows that participation in high quality childhood education can increase levels of school readiness and educational achievement in children's later school careers.<sup>1</sup> Moreover, the impact of high quality early childhood education and care is most long-lasting among disadvantaged children. For example, the Effective Provision of Pre-school Education (EPPE) is a longitudinal study begun in 1996 and funded by the then Department for Education and Skills. EPPE tracked over 3,000 children were sampled from a range of early childhood settings, following their progress from the age of three onwards. An additional sample of 314 'home' children was recruited to act as comparison for the sample receiving early childhood education and care. The study found a positive impact of early childhood education and care, both on cognitive and overall social development, at entry to primary school and at the end of Year One in primary school. At the end of Key Stage One, the cognitive gains were reduced in size but were still present.

Other UK studies have found similar positive effects. However, only high quality early childhood education and care delivers improved outcomes for disadvantaged children. Staff qualifications have been shown to have the biggest impact on the quality of settings and therefore on children's outcomes.<sup>2</sup> We note that there have been steady improvements in the levels of qualifications held by the early years' workforce since 2000. Department for Education survey data indicates that 66 per cent of the overall early years workforce was qualified at Level Three or above in 2008. However, 13 per cent of the overall early years' workforce and 34 per cent of childminders still had no qualifications in 2008. Apart from staff qualifications, the ratio of children to trained adult also has a significant impact on the quality of early childhood education and care.

A number of other factors affect the quality of early childhood education and care, including the child to adult ratio and low staff turnover. We discuss these later in our submission.

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<sup>1</sup> Sylva K and Roberts F (2009) 'Quality in early childhood education: evidence for long-term effects' in Pugh G and Duffy B (eds) *Contemporary Issues in the Early Years*, London: Sage Publications

<sup>2</sup> *ibid*

***How can early years support from parents, children's services and the community best deliver positive outcomes for the most disadvantaged children and their families?***

Government has many opportunities to act in order to deliver positive outcomes for children. Measure to support parents' labour market participation enables them to move out of poverty thus boosting the life chances of their children. Access to affordable childcare is crucial to getting parents into work. The foundations for children's learning are built in the first years of a child's life and giving children the best possible start in life needs to begin long before formal education begins at five years and access to high quality early childhood education and care increases levels of achievement later in their school careers. Thus, investment in early childhood education and care is an investment both in the future of our children, and also in parents who need affordable childcare in order to return to or remain in work. Interventions led by central government and children's services need to focus on:

- ensuring that parents have access to affordable early childhood education and care
- improving the quality of early childhood education and care, particularly for the most disadvantaged children.

**Increasing the availability and affordability of childcare**

For parents of young children, the availability of childcare still prevents some parents from entering the labour market in parts of the UK. In some parts of the UK it is very difficult to find suitable childcare, and particular difficulties are often found for children under two, disabled children, out-of-school care for older children and holiday childcare for all ages. Our 2010 childcare costs survey indicated that 49 per cent of parents of disabled children and those with special educational needs found it difficult to find childcare. Parents working atypical hours are another group who face great difficulty in finding childcare. We are also concerned about the growing number of closures of college and university nurseries and the impact this is having on parents who are studying.

The affordability of childcare is another barrier to parents entering or remaining in employment and moving out of poverty. Both our survey data and evidence from parents who use our advice line indicates that the high cost of childcare prevents some parents from working. Our recent 2010 childcare costs survey found that the cost of childcare had risen by more than inflation in most areas, with the average cost of a part-time nursery place for a child aged under two standing at £88 per week, compared with average part-time earnings of £153 per week.

Existing Government support, while making a significant difference for many families, is not sufficient. Tax Credits help families with young children enter and stay in the labour market and Daycare Trust welcomes the review of Tax Credit policy in both the Childhood and Families Task Force and the DWP Welfare Review. We are, however, concerned about the Government's decision to limit the eligibility of families with an income of more than £26,000 to Tax Credits, and to increase the withdrawal rate as earnings increase. We believe that this policy change will make it harder for these families to continue paying for childcare and risk their participation in the labour market. There are many families who may have a total household

income of £26,000 or over but still struggle with the cost of childcare – which our recent childcare costs survey found could be up to £22,000 a year. If these families leave work, households will be at a greater risk of falling into poverty.

In order to increase the availability and affordability of childcare Daycare Trust recommends that the Government:

- give local authorities the means to close the gaps in childcare services in poorer areas where there is market failure, including expanding provision in schools, Sure Start children’s centres and maintained nurseries in disadvantaged areas.
- provide incentives to schools to provide a genuinely wrap around childcare offer to parents, including free places for low-income families and holiday schemes. We believe that all schools or clusters of schools should offer childcare from 8am to 6pm which should be free to low income families. This ‘extended schools’ provision offers real opportunities for schools to work in partnership with other organisations in their local communities, such as third sector youth groups who may be able provide holiday childcare using school premises. We believe that extended schools are one aspect of the Big Society ideal.
- extend the free entitlement presently available to three and four year olds in England. Daycare Trust would like to see all two to four years olds receive 20 hours free entitlement for 48 weeks of the year, available for parents to use on a flexible basis.
- simplify the Tax Credit system to encourage more parents to apply for the childcare element of Working Tax Credit. For example, Government could separate the childcare element from the Working Tax Credit and either include it under the Child Tax Credit or make it into a separate programme, retaining a single form for simplicity. This would encourage take up and help avoid overpayments, as childcare costs are one of the biggest fluctuations in family finances.
- increase the proportion of help with childcare costs available through Tax Credits from 80 to 100 per cent, as is being piloted in London. This 100 per cent childcare costs subsidy could initially be targeted at families on lower incomes or for specific families – in a similar way that the Government is currently doing for 50,000 workless parents undergoing training to prepare for work.

### **Support measures to improve the quality of early childhood education and care**

As noted, staff qualifications have been shown to have the biggest impact on the quality of settings and therefore on children’s outcomes.<sup>3</sup> There have been many improvements in qualifications held by the early year workforce and the Early Years Foundation Stage (EYFS) statutory framework support the acquisition of higher level qualifications by all staff. However,

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<sup>3</sup> ibid

the EYFS target of 50 per cent of staff to be qualified at Level Two is lowering the overall bar, rather than raising it.

The adult-to-child ratio also impacts on the quality of provision. Daycare Trust has some concerns about the adult-to-child ratio requirements outlined in the statutory Early Years Foundation Stage (EYFS) guidance. We believe that the adult to child ratios for children over three (1:13) and children in reception classes in schools (1:30) compromises the quality of early years education, as well as being unsafe.

In order to improve the quality of early childhood education and care and, therefore, children's outcomes Daycare Trust recommends that Government:

- amend qualification targets for the early years workforce to ensure that by 2014 some 90 per cent of staff hold qualifications at Level Two or above and 100 per cent by 2016, and for half of the workforce to have graduate level qualifications by 2016. We would also like to see a specific legal requirement for staff who hold no qualifications or are qualified below Level Two, to show they are taking steps to improve their level of qualifications in both childcare and literacy and numeracy.
- ensure that pay scales reward staff who gain qualifications. Government should protect the Graduate Leader Fund, and ensure that it provides long-term and ongoing funding to support and reward staff gaining higher level qualifications. We also recommend that the new Early Years Professional Status is afforded the same status (and the same pay scales) as qualified teachers to encourage people to train and remain in the role.
- ensure that EYFS adult-to-child ratios move to a 1:8 adult-to-child ratio for three year olds and a only keeping the 1:30 child to qualified teacher for reception classes, where we would want to see additional staff without qualified teacher status support the teacher.

### **Ensuring that the most vulnerable families benefit from Sure Start**

While participation in high quality early childhood education and care has positive outcomes for disadvantaged children, some of the most socially disadvantaged children, however, do *not* use Sure Start services. Research shows that children living in temporary accommodation, children from workless households and children from some migrant and minority ethnic communities under-utilise Sure Start services in some areas. At the same time those planning early years education and care often lack good quality population data that enables them to identify and target vulnerable groups who are not being reached by Sure Start. We recommend that local children's services:

- review the uptake of Sure Start services from the perspective of vulnerable groups who are not using this provision, using the best demographic data and the extended ethnicity codes that are presently used in schools.

- support outreach work with those groups who do not use Sure Start children's centre services is also essential.

### **Support Sure Start and extend the range of services on offer**

Some disadvantaged families have multiple and complex vulnerabilities and may need the support of different types of service. Sure Start children's centres are a site where a number of services can be delivered on one site, thus promoting multi-agency support. While there is much good practice across the country, there is still a great deal of variation in the range of services delivered from Sure Start children's centres. We feel that the Government could review the range of services that are delivered at children's centres. We have already noted the importance of outreach into vulnerable communities, which needs to be developed. In some areas there is potential for adult and further education, libraries and advice-giving organisations such as Citizens Advice Bureaux to develop partnerships with Sure Start. Daycare Trust would also like to see the greater involvement of voluntary sector organisations in Sure Start in some areas.

### **Family environment**

***In what ways do family and the home environment affect children's life chances? What role can the government play in supporting parents to ensure that children grow up in a home environment which allows them to get the most out of their schooling? What role do family earnings and life chances play in children's outcomes and life chances?***

As noted in the previous section a large number of individual, family, home, community, institutional and national socio-economic factors determine children's life chances. Of the family and home factors that affect children's life chances, parental employment conditions are very significant. Unemployment and low pay affect children's outcomes in many different ways. Children from low income households

- are more likely to be born pre-term and at a low birth weight
- experience poorer health and lower nutritional status
- have fewer safe places to play and are more likely to be involved in accidents
- are less likely to participate in enrichment activities that support their educational achievement.
- are more likely to experience social isolation because of the stigma of poverty and inability to participate in social and cultural activities.<sup>4</sup>

Parental level of education is another significant factor affecting children's life changes, with children from households where parents lack higher level qualification being less likely to gain these qualifications themselves. Desforges' 2003 study provides a useful overview of the evidence.<sup>5</sup>

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<sup>4</sup> Griggs, J and Walker R. (2003) *The costs of child poverty for individuals and society*, York: Joseph Rowntree Foundation

<sup>5</sup> Desforges, C. (2003) *The Impact of Parental Involvement, Parental Support and Family Education on Pupil Achievement and Adjustment*, London: Department for Education and Skills

A number of other, often inter-related, family and household factors affect children's life chances, including:

- access to stable and decent housing<sup>6</sup>
- family-friendly work patterns – stressed and tired parents are less likely to interact with their children and support their learning
- parental good health – this impacts on parents' earning capacity. Poor parental mental health can limit positive interactions with children
- parents' orientation towards education<sup>7</sup>
- household composition – large families and single parent households are more likely to be living in poverty and parents have less time to engage in children's learning
- access to support networks from within the extended family, friends and local community

Interventions that enable parents of young children to enter and remain in the labour market are crucial to boosting children's life chances by enabling families to move out of poverty. The availability of affordable childcare is key to achieving this outcome. However, simply enabling parents to work will not in itself secure better outcomes for the UK's children. Parents' working patterns can damage children's outcomes as parents who work long or atypical hours may be less likely to engage in their children's education.<sup>8</sup> In the UK there are also a large number of poor children living in families where one or both parents work, with the number of poor children living in working households growing from 1.1 million in 2005-06 to 1.7 million in 2008-09.<sup>9</sup>

Obviously, ensuring that childcare is affordable will have an impact on the working poor; we have previously made some recommendations that aim to ensure that childcare is affordable. The present DWP welfare review also presents an opportunity to channel greater support to the working poor and to improve incentive for them to progress one in work.

Daycare Trust believes greater implementation of family-friendly working practices by employers would have a positive impact on children's outcomes, as parents who are at home in the early evening and at weekends are more likely to engage in their children's education. Of course, there has been some growth in the number of workplaces where flexibility is accepted over the last decade. However, there are still many workplaces which have seen little change in traditional patterns of working over the last decade and there is a growing gap between the best employers and the rest in relation to flexible, family friendly working practices. We would like to see new employees given the right to request flexible work at the start of their employment, not

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<sup>6</sup> Gibbons, S and Telhaj, S. (2007) *Mobility and School Disruption*, London: Department of Geography, London School of Economics

Shelter (2006) *The Chance of a Lifetime: the impact of bad housing on children's lives*, London: Shelter

<sup>7</sup> Desforges, C. Op cit

<sup>8</sup> Goldman, R. (2005) *Fathers' Involvement in their Children's Education*, London: National Family and Parenting Institute

<sup>9</sup> Institute for Public Policy Research (ippr) (2010) *In Work Poverty in the Recession*, London: ippr

just after 26 weeks in the job. We would also like to see an advertising campaign about flexible working targeted at sectors where there is little acceptance of flexible working practices.

Parents' attitude to and engagement with their children's learning is a very important factor in determining children's later educational outcomes. The EPPE study examined the interaction between parents and early years' providers, as well as the quality of the home learning environment.<sup>10</sup> The study concluded that a good home learning environment was:

'associated with increased levels of cooperation and conformity, peer sociability and confidence,...lower anti-social and worried or upset behaviour and higher cognitive development scores.'<sup>11</sup>

Parents can improve their children's educational outcomes by:

- providing a secure and loving home environment, conducive to learning
- ensuring routines and good discipline
- being a good role model
- talking to children and providing intellectual stimulation
- engaging in learning activities with children, for example, reading to them
- providing opportunities for exploratory and unstructured play
- sharing information about children's learning with early years providers.

The extent and form of parental engagement with their children's learning is mediated by their income and social class, parental levels of education, parental health and household composition, with the least wealthy finding it most difficult to provide a home environment conducive to learning. The Early Years Foundation Stage guidance supports parental engagement in their children's early learning. There have also been many formal interventions to support good parenting and encourage parents' involvement in their children's learning, for example parenting classes, family learning projects and workshops on ways that parents can help their children learn. Such interventions have often been organised by children's services and a large number are delivered at Sure Start children's centres. But research on parental engagement with early years' settings suggests that:

- The quality of informal engagement between early years' workers and parents and the quality of informal advice varies between and within settings. Training for early years workers on ways that settings can improve their interactions with parents is an effective way of supporting better parental involvement in children's learning

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<sup>10</sup> Melhuish, E., Sylva, C., Sammons, P., Siraj-Blatchford, I., and Taggart, B. (2001) *Social behavioural and cognitive development at 3-4 years in relation to family background. The effective provision of pre-school education, EPPE Project, London: Department for Education and Employment*

<sup>11</sup> *ibid*

- The parents of children attending privately-owned nurseries and childminders are less likely to take advantage of formal interventions such as parenting classes.
- Some of the most socially disadvantaged children are also under-represented in uptake of formal parenting interventions. Research shows that parents living in temporary accommodation and parents with limited fluency in English or limited literacy under-utilise formal parenting interventions.

Given these findings, Daycare Trust believes that it is important that Government and local authority children's services continue to support training for early years' workers on parental involvement, and interventions such as parenting and home learning classes. Effective outreach work is also needed to ensure that vulnerable and hard-to-reach families can take advantage of support on offer. Daycare Trust is concerned to hear of planned cuts to training, community education and outreach budgets affecting early childhood education and care. It is essential that essential tasks such as outreach are not a casualty of public spending cuts.

### **Poverty and life chances and how they are measured**

Government has used as its definition of poverty a household that has a disposable income below 60 per cent of the median income before housing costs have been taken into account and with equivalisation to account for differences in household composition. There has been some debate about using a relative definition of poverty such as below 60 per cent of median income, rather than an absolute or criteria based definition. Daycare Trust supports the use of the present definition of poverty, although it would recommend that housing costs to be taken into account, so a definition of poverty be considered as an equivalised household income below 60 per cent of the median income after housing costs are met. (Taking housing costs into account allows for the considerable regional differences in this outlay across the UK).

Joseph Rowntree Foundation has conducted research that has attempted to define what members of the public think is the minimum that people need to achieve a socially acceptable standard of living. The present relative poverty level is set well below the Rowntree minimum income standard. Relative poverty has major impact on children's lives in the UK.

Relative poverty, not just absolute poverty, impacts greatly on children's lives in the UK, and the present relative poverty level is set well below. For example, 2010 research by Save the Children suggest that 74 per cent of UK children living below the poverty level took part in no out-of-school activities such as sports or music. The present poverty level, amounting to an income of £280 per week for a family of two adults and two children under 16, or (after housing costs are met) leaves families with little money to meet basic needs. At levels below £280 per week, such a family would generally be excluded from living patterns, customs and activities experienced by most people. An income of £280 per week is below the £402 per week minimum income standard suggested by

There is also debate about whether factors other than income be included in future definitions of poverty. Daycare Trust believe that low income is the main component of poverty and that an income-based definition should remain in place. Conditions such as *social exclusion/inclusion*, *well-being* and *positive outcomes* are different conditions to poverty – although poverty is a component of social exclusion and in low levels of well-being. We do, however, think it is important for government to define and measure both positive outcomes and child well being and that tackling poor outcomes and low levels of child well-being in the UK is an important policy goal. Daycare Trust considers that UNICEF presents a useful measure of child well-being, where 31 measurements across six dimensions (material well-being, health and safety, educational well-being, relationships, behaviours and risks and subjective well-being).<sup>12</sup>.

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<sup>12</sup> UNICEF (2007) *An overview of child well-being in rich countries*, Florence UNICEF Innocenti Research Centre